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ABSTRACT

This report reviews the status of higher education student financial aid in Maryland in relation to equal educational opportunity, increasing dynamics of the marketplace, social necessity, general college and attendance data, general trends in the growth of higher education, a student's ability to pay, federally sponsored student aid programs, the Maryland State Scholarship Board, the Maryland Higher Education Loan Corporation, state effort, institutional based federal student aid programs, and the student aid need gap in Maryland. Recommendations suggest: (1) A single, need-based, general state scholarship program be established; (2) No target funds for special critical areas of study be established, but that sufficient funding to meet the financial needs of all students should be appropriated; (3) The new general state scholarship program should be appropriated at $4,668,160; (4) The Maryland Council for Higher Education should be charged with the responsibility of conducting a study of the financial aid need gap that exists in Maryland and of making recommendations for correcting this need gap to the next general assembly; (5) The amount of aid be made available and the income levels considered eligible for aid should be adjusted annually for the changes in the cost of living; and (6) The promising of student aid should be made well in advance of a student's college selection. Other recommendations and statistical data are included. (MJM)

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A REPORT ON THE STATUS OF HIGHER EDUCATION STUDENT FINANCIAL AID IN MARYLAND

JONATHAN D. FIFE

THE GEORGE WASHINGTON UNIVERSITY

JANUARY 1975

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NOTE CONCERNING THE AUTHOR

Jonathan D. Fife received his Doctor of Education degree with a concentration in the study of higher education and sociology from The Pennsylvania State University. He holds a Master of Science degree in Student Personnel Services from the State University of New York at Albany and a Bachelor of Business Administration from the University of Massachusetts. Dr. Fife is currently the Associate Director of the ERIC Clearinghouse on Higher Education at The George Washington University. Before assuming his present position, he was a Research Assistant with the Center for the Study of Higher Education at the Pennsylvania State University and prior to that Manager of the Student Union and Assistant Director for Student Activities at the State University College at Buffalo.

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CHAPTER 1

SCHOLARSHIP AND GRANT AID--A FRAMEWORK*

An understanding of the general objectives and goals that have been set by society for student aid programs is essential before the strengths and weaknesses of any one aid program can be determined. The discussion to follow focuses on the factors that must be considered if a viable student aid program is to be developed.

EQUAL EDUCATIONAL OPPOPTUNITY

There are two basic economic reasons usually articulated for federal and state support of student scholarship and grant aid. The first and most often stated objective is the use of student aid programs to further the goal of equal educational opportunity.

The emphasis on educational opportunity for the disadvantaged has been a societal goal that has been supported by the major study commissions (Trivett 1973). In 1947 the Truman Report called attention to the necessity of federal support if true educational opportunity was to be achieved (Higher Education for America...1947). The Task Force on Student Assistance of the Education Commission of the States has asserted that "a major responsibility of government, state, local or federal, is to provide educational opportunity for its citizens in accordance with their abilities, motivations and needs of society" (1970, p. 1). The Carnegie Commission has stated:

> ...equality of opportunity has long been promised to all of our citizens. Increasingly, such equality means equality of opportunity to obtain a college education. This is a national promise, and the federal government has a special responsibility to aid higher education in carrying out this promise ("Full text of..." December 13, 1971, p. 6).

*This chapter is based largely on Chapter I of the author's forthcoming monograph, The College Student Grant Study, University Park, Pa: The Pennsylvania State University, Center for the Study of Higher Education.

For the objective of equal educational opportunity to be achieved, two conditions must be fulfilled. These conditions are providing the student with full access and free choice. These two conditions are also the first two major objectives for higher education articulated by the National Commission on the Financing of Postsecondary Education (1973). As stated by the Commission:

> All who are capable of benefiting should be assured access to postsecondary education in some form. There must be no arbitrary or artificial barriers related to sex, age, race, income, residence, ethnic group, religious or political belief, or prior educational achievement. And access must mean more than just admission to an institution. It must mean assurance that participation is limited only by one's ability to meet reasonable standards applicable to all participants and by one's willingness to apply oneself to the required work. It must mean full participation in high quality programs that are meaningful according to one's needs, capability, and motivation (p. 55).
>
> Choice is closely related to access. Each person should be assured a real choice among the institutions that have accepted him or her for admission. To deny such choice would be to restrict access. To the extent that choice depends upon financial aid, reasonable student financial assistance must be available from public and private sources in some combination of grants, loans, employment, and personal savings and parental contributions (p. 55-56).

The increased pressure for student scholarship and grant aid has resulted from a belief that the basic goal of equal educational opportunity is more effectively achieved through this mode of funding than other alternative modes of funding. It is believed that when funds are distributed directly to students according to finanicial need, there is a more forceful and positive impact made in persuading the financially disadvantaged to pursue an education (Bowen 1970; Carnegie Commission 1972b; Keeton 1971; Pearson 1967; O'Hearne 1970).

However, for student aid to promote equal educational opportunity it should be based on the financial need of the student and not based on the student's academic achievement. This is because students of higher

academic standing come disproportionately from the more affluent families. When aid is awarded exclusively on the basis of academic achievement, financially needy students are less apt to receive the award. This is demonstrated in a study analyzing the background of National Merit Scholarship recipients. It was found that less than one quarter of the recipients came from families with less than $8,000 of net income, while 50.5 percent of all families that year had an annual income of less than $7,000 (Nichols 1965).

INCREASING DYNAMICS OF THE MARKETPLACE

The second reason most articulated by legislators for the support of scholarship and grant aid is that this type of aid is viewed as being an effective mechanism to stimulate the economic marketplace of higher education. Students who have the power of the dollar through their grants would attend those institutions that they feel would give them the most for their investment. To attract a student, the institution would have to demonstrate it could meet the student's educational needs. Thus, to be competitive an institution would have to become accountable and responsive in its academic program, as well as more concerned with costs and managerial efficiency (Krughoff 1969; Owens 1970; Roose 1970; Wiseman 1969). This competitive aspect of the scholarship system is seen by some as unfortunate, because they believe it will force institutions to become salesmen and pander to the market to insure enough students are enrolled. They believe this, in itself, could very well cause lowering of an institution's academic standards (Thackery 1971). However, others see this as a mechanism to increase institutional sensitivity to social needs.

The belief that scholarship and grant aid will stimulate the marketplace has been expressed by officials of the Department of Health,

Education, and Welfare as the major reason for supporting this type of funding pattern. The following citation from "Student Assistance," one of the MEGA documents left by then Secretary of HEW, Elliott Richardson, for the incoming Secretary, Casper Weinberger, illustrates this rationale.

> The fundamental premise of this paper is that a freer play of market forces will best achieve federal objectives in post-secondary education...Accordingly, this paper describes what we should do to give individuals a greater power of choice in the education marketplace and proposes levels and types of student support which will make most institutional aid programs unnecessary (1972 p. 1).

Another planning paper of the Office of Education points out that with all federal student aid made fully portable and with a significant shift in state funding to student aid, "the influence of market forces [will] become more pronounced" (Beckler 1973, p. 18).

Another aspect of increasing student access and choice through scholarships and grants are the effects this increased mobility will have on the type of institutions students choose to attend. Within the market model lies the model of demand theory, which suggests that consumer product selection depends upon several factors, one of the most important of which is price (Leslie and Fife 1974). The other factors or functions of consumer demand include (1) the prices of other commodities, (2) the money income of the buyer, and (3) the buyer's taste or preferences. It is reasoned that student grant scholarships should result in several changes in student attendance patterns. First, the consumption of higher education should rise as student income rises, provided price (tuition) increases are not large. (Sizable tuition increases would result in reduced enrollment demand among those whose income did not rise, that is, among those who did not receive grants or scholarships.) Further, some redistribution of students from the public to the private sector should occur, and there should be some redistribution by

institutional level and size. These changes are uncertain due to lack of knowledge concerning student preferences.

The critical element that must exist for scholarship funds to stimulate the dynamics of the marketplace is that the recipient must know the size of the award before the selection process is completed. If the award is not announced until after a student selects an institution, then the student's decisionmaking process will include three considerations: How well will the institution meet the student's educational needs? Is the cost of the institution within the student's current financial means? Will the student be able to acquire financial aid between the time he selects the school and when he must pay his bills? The greater the student's financial insecurity, the more consideration he will place on the cost of the institution rather than the educational programs the institution has to offer. For the goals of access and choice to be achieved the student must have some idea of the amount of aid he will receive before he selects his institution.

SOCIAL NECESSITY

Some believe that the rationale behind public support of higher education is based not on the principle that society should support higher education to the degree that it receives benefits from an educated citizenry, but on the principle of social necessity (Haveman 1970). This necessity occurs because the student as a consumer of education will always spend less than is needed to achieve the maximum return to society and himself. Therefore to encourage greater use of higher education, society must make education more economically attractive to individuals (Hartman 1970).

Even when goods and services yield individual benefits, they may also produce "external" benefits that will improve the general welfare of

society. Under these conditions societal support is justified (Bowen and Serville 1972). . Societal support is also justified if societal goals, such as equal educational opportunity or the redistribution of income, cannot be achieved through the free flow of the marketplace. In such cases direct intervention by society is necessary. Another noneconomic reason for public funding is that there are many who believe that higher education is becoming a citizen's right, just as secondary education is now, and that responsibility for insuring this right belongs to the government (Carnegie Commission 1973b; Heywood 1970). The long-term practice of state-supported, low-tuition schools has helped to create this new level of educational expectation for a large segment of society. As M. D. Orwig has phased it; "...low cost public education represents an implicit public trust between state legislators and the parents of future college students who, through their taxes, have saved for the higher education of their children" (1971, p. 338).

SUMMARY

The two major social goals that student aid can help achieve are equal educational opportunity for the financially disadvantaged and increased dynamics within the educational marketplace. Both goals are promoted if the student aid programs make provision for access and choice. In the following chapters the student scholarship programs available to the citizens of Maryland will be examined in respect to the furtherance of access and choice. The areas where access and choice are being hindered will be identified and recommendations for improvement will be made.

CHAPTER 2

HIGHER EDUCATION IN MARYLAND

To analyze student financial aid in Maryland, it is necessary to understand the State's higher education milieu. There are several basic questions that need answers. What is the general makeup of institutions in the state by control and enrollment? What are the identifiable trends in the general growth pattern of these institutions? What data are available concerning students' ability to afford higher education? And what is the general projection for growth over the next two decades?

The data used for this chapter to provide answers to these questions have been primarily developed by the Maryland Council for Higher Education. While some of the statistics may be several years old, they do provide general insight into the conditions of higher education in Maryland. As in most reports of this nature, the reader should be cautioned that because the data used is derived from many different sources, data concerned with similar items often will not be exactly the same. However, the differences on the whole are not significant.

GENERAL COLLEGE AND ATTENDANCE DATA

While a count of the institutions by control--25 public and 22 private--would tend to indicate an even balance between the public and private sectors, in reality the publicly controlled institutions dominate higher education in Maryland. Table 1 provides a breakdown of the enrollment in Maryland colleges and universities for the academic year 1973-74. This table shows there is a private-public attendance ratio of 1:5.9 or, in other words, for every student attending a private institution, there are nearly six students attending a public institution. This ratio in favor of the public institution is considerably greater

TABLE 1
ENROLLMENT AT MARYLAND COLLEGES & UNIVERSITIES FOR FALL 1973

	1973 Undergraduate			1973 Graduate			Total 1973
	Full Time	Part Time	Total	Full Time	Part Time	Total	FTE
COMMUNITY COLLEGES:							
Allegany Community College	794	400	1,194	-	-	-	927
Anne Arundel Comm. College	1,634	2,520	4,154	-	-	-	2,474
Catonsville Community College	2,588	5,474	8,062	-	-	-	4,413
Cecil Community College	238	535	773	-	-	-	416
Charles County Community College	417	916	1,333	-	-	-	722
Chesapeake College	281	368	649	-	-	-	404
Comm. College of Baltimore	2,345	4,902	7,247	-	-	-	3,979
Dundalk Community College	247	818	1,065	-	-	-	520
Essex Community College	2,790	3,491	6,281	-	-	-	3,954
Frederick Community College	494	750	1,244	-	-	-	744
Garrett Community College	126	121	247	-	-	-	166
Hagerstown Junior College	786	825	1,611	-	-	-	1,061
Harford Junior College	998	1,565	2,563	-	-	-	1,520
Howard Community College	416	917	1,333	-	-	-	722
Montgomery Coll.-Rockville	4,944	4,334	9,278	-	-	-	6,389
Montgomery Coll.-Takoma Park	1,127	1,303	2,430	-	-	-	1,561
Prince George's Comm. College	3,845	5,408	9,253	-	-	-	5,648
TOTAL COMMUNITY COLLEGES	24,070	34,647	58,717	-	-	-	35,620
STATE COLLEGES:							
Bowie State College	1,718	486	2,204	46	986	1,032	2,255
Coppin State College	1,629	613	2,242	75	710	785	2,145
Frostburg State College	2,625	116	2,741	11	420	431	2,815
Morgan State College	3,865	1,105	4,970	171	844	1,015	4,686
Salisbury State College	1,853	378	2,231	-	443	443	2,127
St. Mary's College of Maryland	960	115	1,075	-	-	-	998
Towson State College	7,706	3,915	10,991	30	1,429	1,459	8,887
TOTAL STATE COLLEGES	19,726	6,728	26,454	333	4,832	5,165	23,913

TABLE 1 (continued)
ENROLLMENT AT MARYLAND COLLEGES & UNIVERSITIES FOR FALL 1973

	1973 Undergraduate			1973 Graduate			Total 1973 FTE
	Full Time	PartTime	Total	Full Time	PartTime	Total	
UNIVERSITY OF MARYLAND:							
U. of Maryland - College Park	23,722	2,570	26,292	3,690	3,417	7,107	29,408
U. of Maryland - Baltimore City	1,360	17	1,377	2,414	343	2,757	3,894
U. of Maryland - Baltimore County	4,660	404	5,064	9	41	50	4,817
U. of Maryland - Eastern Shore	890	151	1,041	-	-	-	940
U. of Maryland - Univ. College	457	9,807	10,264	34	539	573	3,940
TOTAL UNIV. OF MARYLAND	31,089	12,949	44,038	6,147	4,340	10,487	42,999
TOTAL PUBLIC	74,885	54,324	129,209	6,480	9,172	15,652	102,532
2-YEAR PRIVATE:							
Bay College of Maryland	502	113	615	-	-	-	540
Ocean City College	54	46	100	-	-	-	69
Villa Julie College	285	65	350	-	-	-	307
TOTAL 2-YEAR PRIVATE	841	224	1,065	-	-	-	916

TABLE 1 (continued)
ENROLLMENT AT MARYLAND COLLEGES & UNIVERSITIES FOR FALL 1973

	1973 Undergraduate			1973 Graduate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	1973 FTE
4-YEAR PRIVATE:							
Baltimore Hebrew College	70	-	70	50	1	51	120
Capitol Inst. of Technology	123	137	260	-	-	-	169
Columbia Union College	662	160	822	-	-	-	715
Goucher College	917	51	968	8	6	14	944
Hood College	545	76	621	14	149	163	634
Johns Hopkins University	2,151	2,885	5,036	2,124	2,378	4,502	6,029
Loyola College	1,422	678	2,100	150	1,325	1,475	2,240
Md. Inst. College of Art	926	113	1,039	68	24	92	1,040
Mt. St. Mary's College	1,164	51	1,215	31	2	33	1,213
Ner Israel Rabbinical Coll.	185	3	188	149	8	157	338
College of Notre Dame of Md.	555	169	724	-	-	-	611
Peabody Consv. of Music	254	103	357	61	36	97	361
St. John's College	368	1	369	-	-	-	
St. Mary's Seminary & Univ.	189	5	194	293	132	425	528
University of Baltimore	1,525	2,451	3,976	878	566	1,444	3,409
Washington Bible College	317	657	974	30	13	43	570
Washington College	744	40	784	-	119	119	797
Washington Technical Coalition	-	-	-	244	24	268	252
Western Maryland College	1,197	24	1,221	49	1,089	1,138	1,617
TOTAL 4-YEAR PRIVATE	13,314	7,604	20,918	4,149	5,872	10,021	21,955
TOTAL PRIVATE	14,155	7,828	21,983	4,149	5,872	10,021	22,871
TOTAL PUBLIC & PRIVATE	89,040	62,152	151,192	10,629	15,044	25,673	125,403
U.S. SERVICE ACADEMY:							
Naval Academy	4,217	-	4,217	-	-	-	4,217
GRAND TOTAL	93,257	62,152	155,409	10,629	15,044	25,673	129,620

Note. From Annual Report and Recommendations. Annapolis, Maryland: Maryland Council for Higher Higher Education, 1974, pp. 2-2 and 2-3.

than the national ratio of one student in private institutions for every 3.3 students in public institutions.

Examining the enrollment distribution further, it is seen that the University of Maryland, with 29 percent of the total undergraduate enrollment, is the single most dominant institution in the state. As a percentage of fulltime students, this dominance appears to be even greater, with the enrollment of 34 percent of all fulltime students attending an institution of higher education in Maryland.

However, the public community college system has the largest enrollment, with 39 percent of all students. While only enrolling 27 percent of fulltime students, the community college system plays the most important role in educating parttime students, with 55 percent of all parttime student enrollment. Another aspect of the community colleges is indicated in Table 2 where the fulltime undergraduate enrollment is broken down by the student's geographic origin. The community college attendance in the counties that sponsor community colleges is significantly higher than in the counties without a community college. This data supports numerous other studies that indicate the attendance pattern of a student is greatly influenced by the geographic proximity of an institution.

GENERAL TRENDS IN THE GROWTH OF HIGHER EDUCATION

Table 3 provides a breakdown of the total enrollment in Maryland by level and control of institution for the years 1969 through 1973. While the total growth for higher education during these years is 32 percent, for all practical purposes this growth occurred in the public sector. Enrollment in private institutions for this period increased only 3.6 percent, as compared with the growth of 67 percent for two-year community colleges and 52.5 percent for four-year state colleges.

TABLE 2

FULLTIME UNDERGRADUATE ENROLLMENT IN INSTITUTIONS OF HIGHER EDUCATION IN MARYLAND, BY GEOGRAPHIC ORIGIN OF STUDENTS, FALL 1973

County	Community College	State College	Univ. of Maryland	TOTAL PUBLIC	Private 2 Year	Private 4 Year	TOTAL PRIVATE	TOTAL PUBLIC AND PRIVATE
Allegany*	623	562	158	1,343	--	71	71	1,414
Anne Arundel*	1,740	862	1,594	4,196	5	450	455	4,651
Baltimore*	5,429	3,893	4,183	13,505	178	2,755	2,933	16,438
Calvert	30	66	63	159	--	18	18	177
Caroline	54	127	46	227	1	11	12	239
Carroll	123	296	198	617	15	175	175	807
Cecil*	256	134	129	519	—	46	46	565
Charles*	340	105	111	556	--	23	23	579
Dorchester*	65	193	93	351	2	23	23	376
Frederick*	454	172	184	810	--	198	198	1,008
Garrett*	144	69	38	251	--	8	8	259
Harford*	1,004	619	365	1,988	4	214	218	2,206
Howard*	551	225	673	1,449	4	173	175	1,624
Kent	41	52	39	132	3	48	51	183
Montgomery*	5,330	991	7,841	14,162	2	528	530	14,692
Prince George's*	3,819	1,862	6,441	12,122	2	316	318	12,440
Queen Anne's*	105	54	34	193	1	30	31	224
St. Mary's	51	318	140	509	--	21	21	530
Somerset	--	114	199	313	2	8	10	323
Talbot	73	107	74	254	1	33	34	288
Washington*	693	244	212	1,149	--	113	113	1,262
Wicomico	7	539	285	831	1	53	54	890
Worchester	5	215	157	377	6	30	36	413
Baltimore City*	2,732	6,700	2,988	12,420	586	2,618	3,204	15,624
County Unknown	73	76	24	173	--	275	275	448
TOTAL MARYLAND RESIDENTS	23,034	18,531	26,234	67,799	790	7,004	7,794	75,593

*County sponsors a community college.

Note. From Higher Education Data Book 1973-74. Annapolis, Maryland: Maryland Council for Higher Education, [1974], p.35.

TABLE 3

TOTAL ENROLLMENT IN MARYLAND INSTITUTIONS OF HIGHER EDUCATION, BY SEGMENT, 1969-73

	1969	1970	1971	1972	1973
COMMUNITY COLLEGE	34,969	42,373	47,753	52,264	58,717
STATE COLLEGE	20,727	24,418	25,880	29,610	31,619
UNIVERSITY	47,194	52,236	54,552	55,351	54,525
TOTAL PUBLIC	102,890	119,027	128,185	137,225	144,861
TOTAL PRIVATE	30,876	28,500	31,212	31,631	32,004
GRAND TOTAL	133,766	147,527	159,397	168,846	176,865

Note. From The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p.5.

It has become apparent to many institutions that this tremendous growth has slowed down considerably. Between 1969-1970 the total higher education enrollment grew by 10 percent. Between 1972-73 the enrollment growth was less than 5 percent. The Maryland Council for Higher Education has projected that "total enrollment will increase from 177,000 students in 1973 to a maximum of 230,000 students in 1985 (30 percent) and then gradually decline to 226,000 students in 1990. The increase in total enrollment would be completely in the public sector" (The Outlook for Enrollments...1974, p. 31 emphasis added). Tables 4 and 5 provide a year-by-year breakdown of these projections for all public and private institutions.

Understanding the long-range projected growth of higher education is important when considering the amount of funds that will be needed for student aid. It is equally important to examine these trends in light of the characteristics of students who are now availing themselves of a higher education. Changes in general college enrollment by sex, race, and attendance status may indicate that concomitant changes are needed in the eligibility requirements for student aid.

One of the most prominent changes in the attendance patterns of students is a movement away from fulltime to parttime enrollment status. Table 6 breaks down the growth of enrollment in Maryland's institutions of higher education by fulltime and parttime status and by sex. The bottom row of this table displays the total fulltime and parttime enrollment for each year as a percentage of the grand total enrollment. Over the past five years women who were enrolled fulltime have maintained the same percentage of total enrollment; fulltime enrolled men, however, have decreased from 39 percent to 31 percent of the total enrollment. In 1969 women comprised 13 percent of the parttime students, but by 1973,

TABLE 4

MARYLAND COUNCIL FOR HIGHER EDUCATION'S

PROJECTIONS FOR ENROLLMENT FOR PUBLIC INSTITUTIONS

BY ATTENDANCE STATUS

1973 - 1990

	FULL TIME	PART TIME	HEAD COUNT	FTE
FALL 1973	83,768	66,513	150,281	105,939
FALL 1974	85,307	71,232	156,539	109,050
FALL 1975	87,254	76,258	163,512	112,672
FALL 1976	89,342	80,846	170,188	116,290
FALL 1977	91,369	84,828	176,197	119,644
FALL 1978	93,430	88,361	181,791	122,883
FALL 1979	95,655	91,657	187,312	126,206
FALL 1980	97,786	94,566	192,352	129,307
FALL 1981	99,432	96,774	196,206	131,689
FALL 1982	100,602	98,349	198,951	133,384
FALL 1983	101,793	99,818	201,611	135,065
FALL 1984	102,791	101,012	203,803	136,461
FALL 1985	103,250	101,611	204,861	137,119
FALL 1986	103,220	101,686	204,906	137,115
FALL 1987	102,849	101,391	204,240	136,646
FALL 1988	102,175	100,775	202,950	135,766
FALL 1989	101,650	100,291	201,941	135,079
FALL 1990	101,212	99,882	201,094	134,506

Note. From The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 60.

TABLE 5

MARYLAND COUNCIL FOR HIGHER EDUCATION'S

PROJECTIONS FOR ENROLLMENT FOR PRIVATE INSTITUTIONS

BY ATTENDANCE STATUS

1973 - 1990

	FULL TIME	PART TIME	HEAD COUNT	FTE
FALL 1973	15,901	10,683	26,584	19,461
FALL 1974	15,399	10,147	25,584	18,781
FALL 1975	15,329	9,940	25,269	18,642
FALL 1976	15,301	9,777	25,078	18,560
FALL 1977	15,284	9,649	24,933	18,500
FALL 1978	15,303	9,572	24,675	18,493
FALL 1979	15,383	9,557	24,940	18,568
FALL 1980	15,487	9,574	25,061	18,678
FALL 1981	15,548	9,581	25,129	18,741
FALL 1982	15,570	9,573	25,143	18,760
FALL 1983	15,625	9,593	25,218	18,822
FALL 1984	15,677	9,614	25,291	18,881
FALL 1985	15,668	9,603	25,271	18,868
FALL 1986	15,602	9,558	25,160	18,787
FALL 1987	15,499	9,493	24,992	18,663
FALL 1988	15,362	9,407	24,769	18,497
FALL 1989	15,256	9,341	24,597	18,369
FALL 1990	15,171	9,288	24,459	18,266

Note. From The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 62.

TABLE 6
GROWTH OF FULLTIME/PARTTIME ENROLLMENT IN MARYLAND INSTITUTIONS
OF HIGHER EDUCATION BY SEGMENT, BY SEX, 1969-73

	1969		1970		1971		1972		1973	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
COMMUNITY COLLEGE										
MEN	13,039	9,477	14,040	11,840	14,439	13,376	13,739	14,630	13,908	17,146
WOMEN	6,063	6,390	7,543	8,950	8,724	11,214	9,562	14,333	10,162	17,501
STATE COLLEGE										
MEN	6,126	2,668	7,327	3,162	7,650	3,337	9,016	4,053	9,114	4,864
WOMEN	8,159	3,774	9,616	4,313	10,457	4,436	11,030	5,511	10,945	6,696
UNIVERSITY										
MEN	21,583	6,757	19,407	11,539	20,800	10,982	20,614	11,155	19,986	10,098
WOMEN	14,789	4,065	15,547	5,743	15,835	6,935	16,487	7,095	17,250	7,191
TOTAL PUBLIC										
MEN	40,748	18,902	40,774	26,541	42,889	27,695	43,369	29,838	43,008	32,108
WOMEN	29,011	14,229	32,706	19,006	35,016	22,585	37,079	26,939	38,357	31,388

TABLE 6 (continued)
GROWTH OF FULLTIME/PARTTIME ENROLLMENT IN MARYLAND INSTITUTIONS
OF HIGHER EDUCATION BY SEGMENT, BY SEX, 1969-73

	1969		1970		1971		1972		1973	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
TOTAL PRIVATE										
MEN	11,842	9,174	10,412	8,591	11,219	8,853	11,379	8,795	11,271	8,215
WOMEN	6,172	3,688	5,679	3,818	6,498	4,642	6,735	4,712	7,033	5,485
GRAND TOTAL										
MEN	52,590	28,076	51,186	35,132	54,108	36,548	54,748	38,633	54,279	40,323
WOMEN	35,182	17,917	38,385	22,824	41,514	27,227	43,814	31,651	45,390	36,873
GRAND TOTAL AS A % OF TOTAL YEAR ENROLLMENT										
MEN	39	21	35	24	34	23	32	23	31	23
WOMEN	26	13	26	15	26	17	26	19	26	21

Note. From The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 12.

21 percent of the parttime students were women. These changes are significant in light of the fact that in 1969 57 percent of all students were enrolled fulltime, but by 1973 only 55 percent held fulltime status.

Because of the continuing increases in total enrollment and parttime enrollment, it is important to consider where these new students are coming from. Table 7 indicates that over the past three years there has only been a slight overall increase in the number and percentage of high school graduates pursuing a higher education. In fact, in 1973 there was a decrease of 4.2 percent. This means that the increased enrollment must be coming from a source other than the high school senior who immediately enrolls as a fulltime student in an institution of higher education.

Table 8 delineates by age and sex the students enrolled in higher education in Maryland for the years 1960 and 1970. Two important changes are indicated by these data. First, while a greater percentage of students over 17 years old are continuing with their education, a greater percentage are also doing so at an older age. Second, there is a significant increase in the number of women who are continuing their education in their late 20s and 30s. This has implications for student financial need, since these are the childbearing and childrearing ages and therefore one of the most costly times in a person's life.

Another important trend is a greater emphasis on nontraditional college programs. Table 9 has displayed the total undergraduate enrollment in Maryland by institutional level and educational divisions within each level. Here it is noted that while community college enrollment has increased 68 percent between 1969 and 1973, nearly all this increase has occurred in their nondegree programs. The increased enrollment, as indicated by Table 7, also has been primarily due to an influx of parttime students. From 1969 to 1973 fulltime enrollment at the community colleges

TABLE 7

PUBLIC HIGH SCHOOL SENIORS

PLANNING TO ATTEND POSTSECONDARY EDUCATION

IN THE FALL FOLLOWING HIGH SCHOOL GRADUATION

1971-1973

YEAR OF GRADUATION	TOTAL SENIORS	ATTEND FULL-TIME		ATTEND PART-TIME		TOTAL	
		NO.	%	NO.	%	NO.	%
1971	46,382	18,435	39.8	4,142	9.0	22,577	48.8
1972	48,727	17,791	36.6	4,389	9.0	22,180	45.6
1973	49,229	16,536	33.7	3,772	7.7	20,308	41.4

Note. From "Post-High School Plans of Seniors in Maryland Public Schools Survey, 1971-73" in The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 27.

TABLE 8

NUMBER AND PERCENT OF MALES AND FEMALES ENROLLED IN HIGHER EDUCATION IN MARYLAND, BY AGE, 1960 and 1970

AGE	MALE						FEMALE					
	1960			1970			1960			1970		
	NO. ENROLLED	TOTAL IN AGE	% ENR.	NO. ENROLLED	TOTAL IN AGE	% ENR.	NO. ENROLLED	TOTAL IN AGE	% ENR.	NO. ENROLLED	TOTAL IN AGE	% ENR.
15	11	24,256	0.1	21	39,809	0.1	0	23,465	-	0	39,678	-
16	48	24,375	0.2	34	38,836	0.1	41	23,970	0.2	21	35,964	0.1
17	314	24,559	1.3	377	36,947	1.0	495	23,852	2.1	428	35,840	1.2
18	3,567	21,618	16.5	8,357	33,891	24.7	3,576	21,733	16.5	7,483	33,991	22.0
19	4,374	19,102	22.9	11,840	31,677	37.4	3,326	19,895	16.7	9,800	33,404	29.3
20	3,671	18,641	19.7	10,614	30,195	35.2	2,421	18,453	13.1	8,326	33,290	24.7
21	3,381	19,119	17.7	8,716	29,763	29.3	1,920	19,013	10.1	6,428	32,415	19.8
22	2,580	18,646	13.8	6,947	32,734	21.2	887	18,613	4.8	3,956	35,800	11.1
23	1,998	19,020	10.5	5,966	34,122	17.5	485	18,053	2.7	2,605	35,857	7.3
24	1,874	19,571	9.6	4,155	26,380	15.8	402	19,154	2.1	1,707	29,397	5.8
25-29	6,707	96,825	6.9	16,355	138,959	11.8	1,212	99,858	1.2	5,785	145,023	4.0
30-34	3,810	110,230	3.5	7,716	116,507	6.6	929	113,689	0.8	3,472	119,394	2.9
TOTAL	32,335	415,962	7.8	81,098	589,820	13.8	15,694	419,748	3.7	49,921	610,053	8.2

Note. Based on data contained in Detailed Characteristics, Maryland, U.S. Department of Commerce, 1960-1970, as found in The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 25.

TABLE 9
TOTAL UNDERGRADUATE ENROLLMENT IN MARYLAND INSTITUTIONS OF HIGHER EDUCATION, BY SEGMENT, BY LEVEL, 1969-1973

	1969	1970	1971	1972	1973
COMMUNITY COLLEGE					
LOWER DIVISION DEGREE	28,681	34,743	30,067	27,190	29,075
LOWER DIVISION NON-DEGREE	2,548	3,655	11,865	18,479	21,559
UNCLASSIFIED	3,740	3,975	5,821	6,595	8,083
TOTAL	34,969	42,373	47,753	52,264	58,717
STATE COLLEGE					
LOWER DIVISION	10,538	11,404	11,894	12,553	12,510
UPPER DIVISION	6,369	5,936	6,844	8,183	8,542
UNCLASSIFIED	329	3,422	2,919	4,691	5,402
TOTAL	17,236	20,762	21,657	25,427	26,454
UNIVERSITY					
LOWER DIVISION	18,364	20,674	21,735	23,807	23,463
UPPER DIVISION	13,160	14,765	16,121	19,201	19,676
UNCLASSIFIED	5,777	6,018	5,734	1,631	899
TOTAL	37,301	41,457	43,590	44,639	44,038
TOTAL PUBLIC					
LOWER DIVISION	60,131	70,476	75,561	82,029	86,607
UPPER DIVISION	19,529	20,701	22,965	27,384	28,218
UNCLASSIFIED	9,846	13,415	14,474	12,917	14,383
TOTAL	89,506	104,592	113,000	122,330	129,209
TOTAL PRIVATE					
LOWER DIVISION	9,697	8,784	9,766	10,673	10,678
UPPER DIVISION	7,939	7,699	7,946	7,190	7,165
UNCLASSIFIED	6,435	4,854	5,294	4,585	4,140
TOTAL	24,071	21,337	23,006	22,448	21,983
GRAND TOTAL					
LOWER DIVISION	69,828	79,260	85,327	92,702	97,285
UPPER DIVISION	27,468	28,400	30,911	34,574	35,383
UNCLASSIFIED	16,281	18,269	19,768	17,502	18,524
TOTAL	113,577	125,929	136,006	144,778	151,192

Note. From The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 16.

increased by a little less than 5,000 students, while the increase in parttime enrollment was nearly 19,000 students.

Another change in the enrollment makeup of students attending Maryland institutions is the large increase in the number of minority students. Table 10 shows the number and percentage of black students to the total enrollment in public institutions for the years 1970 through 1973. In just four years total black enrollment has increased from 14,000 to 26,000 students—an increase of 85 percent. This increase in black enrollment has been primarily at the community college level, with a much less dramatic increase at the state college or university level. Since the majority of black families are in the lower socioeconomic strata, this increasing enrollment of black students places an increasing demand upon student aid programs.

A STUDENT'S ABILITY TO PAY

A student generally has three sources of funds to pay for his education: parental aid, student-generated aid, and aid generated outside the family. Table 11 indicates the weighted average cost to attend an institution of higher education in Maryland. Table 12 indicates the percentage distribution of family contribution that can be expected to help meet a student's higher education expenses. Using the average total cost for a student to attend a public institution of $1,832, and estimating that a student should be able to contribute approximately $500 a year to help meet his educational expenses, it can be seen from Table 12 that more than 35 percent of the students attending an institution of higher education need to go outside their family to meet their total educational expenses.

A further breakdown of this analysis is shown in Table 13, which provides a breakdown of estimated parental contributions by ethnic groups.

TABLE 10

TOTAL BLACK ENROLLMENT IN MARYLAND PUBLIC INSTITUTIONS OF HIGHER EDUCATION AS A PERCENT OF TOTAL ENROLLMENT, BY SEGMENT, 1970-73

	1970		1971		1972		1973	
	BLACK STUDENTS		BLACK STUDENTS		BLACK STUDENTS		BLACK STUDENTS	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
COMMUNITY COLLEGE TOTAL.	4,200	9.9	5,790	12.1	7,120	13.6	10,830	18.4
STATE COLLEGE								
UNDERGRAD	6,602	31.8	7,386	34.1	8,756	34.4	9,163	34.6
GRADUATE	1,094	29.9	1,251	29.6	1,304	31.2	1,643	31.8
TOTAL	7,696	31.5	8,637	33.4	10,060	34.0	10,806	34.2
UNIVERSITY								
UNDERGRAD	1,713	4.1	2,552	5.9	3,086	6.9	3,819	8.7
FIRST PROF	53	3.2	87	4.9	119	6.3	155	8.4
GRADUATE	382	4.2	462	5.0	361	4.1	420	4.9
TOTAL	2,148	4.1	3,101	5.7	3,566	6.4	4,394	8.1
GRAND TOTAL	14,044	11.8	17,528	13.7	20,746	15.1	26,030	18.0

Note. From The Governor's Desegregation Task Force Report, 1974, as found in The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 20.

TABLE 11

WEIGHTED AVERAGE COST OF ATTENDING MARYLAND INSTITUTIONS OF HIGHER EDUCATION FOR FULLTIME UNDERGRADUATES, 1973-74

	TUITION & FEES	LIVING COST	BOOKS & SUPPLIES	TOTAL COST
Community College	$ 327	$1,000	$300	$1,627
State College	580	1,000	300	1,880
University	689	1,000	300	1,989
Private Institutions	$1,810	1,000	300	3,110

Note. Living cost and the cost of books and supplies are assumed to be the same for each segment, from The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 29.

TABLE 12

PERCENTAGE DISTRIBUTION OF TOTAL FAMILY CONTRIBUTION TOWARD THE COST OF HIGHER EDUCATION FOR MARYLAND COLLEGE STUDENTS, 1973

TOTAL FAMILY CONTRIBUTION IN DOLLARS	NUMBER OF STUDENTS	PERCENT	
		DIST.	CUM.
$ 0	922	7.1	7.1
1-199	545	4.2	11.3
200-399	533	4.1	15.4
400-599	594	4.5	19.9
600-799	631	4.8	24.7
800-999	650	5.0	29.7
1000-1199	684	5.2	34.9
1200-1399	626	4.8	39.7
1400-1599	668	5.1	44.8
1600-1799	597	4.5	49.3
1800-1999	639	4.9	54.2
2000-2499	1143	8.7	62.9
2500-2999	970	7.4	70.3
3000-3499	713	5.4	75.7
3500-3999	554	4.2	79.9
4000+	2,665	20.1	100.0
TOTAL	13,124	100.0	100.0

Note. From The College Scholarship Service of the College Entrance Examination Board, December 1973, as found in The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 29.

TABLE 13

ESTIMATED PARENTAL CONTRIBUTION TOWARD THE COST OF EDUCATION, BY ETHNIC GROUP FOR 1972-73 MARYLAND HIGH SCHOOL SENIORS PARTICIPATING IN THE ADMISSIONS TESTING PROGRAM OF THE COLLEGE ENTRANCE EXAMINATION BOARD

	AMERICAN INDIAN	BLACK	MEXICAN-AMERICAN	ORIENTAL	PUERTO RICAN	WHITE	OTHER	NO ETHNIC RESPONSE	ALL STUDENTS
	PCT	PCT	PCT	PCT	PCT	PCT	PCT	PCT	PCT
Under $ 625	35	62	31	28	40	16	32	22	21
$ 625- 899	9	7	6	9	5	8	13	7	8
900-1,199	9	5	0	7	0	7	10	5	6
1,200-1,499	0	3	6	7	0	7	9	7	7
1,500-1,799	9	4	6	10	0	12	4	14	11
1,800-2,099	0	3	13	11	20	11	9	11	10
2,100-2,399	4	3	13	5	15	10	6	6	9
2,400-2,699	4	2	0	5	5	6	0	4	5
2,700-2,999	4	1	0	0	0	2	2	1	1
3,000-3,299	13	3	13	8	10	8	3	9	8
3,300-3,599	0	0	0	0	0	0	0	0	0
Over $3,600	13	6	13	9	5	14	12	13	13
Total	100	100	100	100	100	100	100	100	100
Number Responding	23	1,649	16	213	20	14,791	124	108	16,944
Percent Planning to Seek Aid	79	95	93	82	95	71	81	83	74
Mean Contribution	$1,806	$828	$1,745	$1,558	$1,466	$1,914	$1,378	$1,776	$1,798

Note. Columns do not add to 100% because of rounding. From The College Entrance Examination Board, 1973, as found in The Outlook for Enrollments in Higher Education in Maryland through the 1980's. Annapolis, Maryland: Maryland Commission for Higher Education, February 1974, p. 30.

Here it is seen that the majority of the students from minority groups would need assistance from outside their family to pay for their education.

SUMMARY

There are several developments in the changing enrollment patterns. They are:

1. While total enrollment of higher education is not growing as rapidly as it did in the 1960s, it is estimated that there will be a 30 percent growth in enrollment over the next decade.
2. The number of part-time students are increasing at a faster rate than fulltime students.
3. An increasing number of women and minorities are enrolling.
4. An increasing number of older students are enrolling.

These changes all indicate a greater need for student financial assistance to assist this new higher education clientele to reach their greatest educational potential. In addition to the demands placed on student aid programs by the new clientele, there is data to indicate that more than 35 percent of the students now attending a postsecondary institution need some form of financial aid. All this translates into one conclusion: during the next decade there will be considerably more demands placed on student aid programs than there has even been before.

CHAPTER 3

STUDENT AID PROGRAM IN MARYLAND

There are many sources that make funds available to encourage students to continue with their education in Maryland. Some of these sources, while very important to the individual student, provide only a limited amount of grants and therefore have limited impact on the total student aid picture in Maryland. These aid programs may be sponsored by local service organizations, or town and county sponsored programs, or aid programs sponsored by an individual institution of higher education. Because the amount of funds available for these programs is limited, the eligibility for the award is often based on considerations other than financial need (such as awards for academic potential or athletic ability), and because there is a lack of current data, these types of aid programs will not be analyzed. The two major sources of funds are the federal and state student aid programs. This chapter will examine the characteristics of these programs according to their delivery system.

FEDERALLY SPONSORED STUDENT AID PROGRAMS

There are seven different sources of federally generated student aid available in Maryland. These programs can be broken down by how they are awarded and who determines the award.

Categorical Non-Need Based Student Aid--Student aid awarded through the G.I. Bill and Social Security Program has several different characteristics that make it distinct from other federal aid. The *G.I. Bill*, established after World War II, was originally designed to help the U.S. readjust to a peacetime economy. The G.I. Bill was seen as a mechanism to channel the returning veterans into a "holding pattern," that is, to encourage them to spend a period of time at an institution of higher

education and to remain out of the labor market while the postwar economy adjusted itself to handle the influx of men returning to the labor force.

The G.I. Bill was so popular that after subsequent wars, the Bill was reenacted to provide aid for returning veterans to attend an institution of higher education. In short, this aid had become a compensation for time spent in the Armed Forces and was not based on the amount of money needed to finance the veteran's education. Since the total amount of aid a veteran can receive is determined by his length of service and his number of dependents, and not on his educational expenses, a veteran is more likely to attend a low-tuition, public institution than he is to attend a private institution. He is also more inclined to relocate himself in states who sponsor low or free tuition public education (Feldman 1974). Table 14 lists the amount of payment made for the G.I. Bill by state for the fiscal years 1968-1974. These data show that Maryland ranks 17th in Vietnam veteran population but ranks forty-third in payments on a per capita basis.

Social Security payments for education are also not based on the student's educational expenses but are based on his family situation. Unfortunately, the data for recipients of aid from the G.I. Bill and Social Security are not available by institution and therefore will not be considered in this analysis.

Student Based Aid--The second and most recently sponsored federal student aid program is the *Basic Equal Opportunity Grant (BEOG)* program. Unlike the older federal aid programs, the BEOG program provides aid directly to the student. Established by the Education Amendments of 1972 P.L. 93-343), the BEOG program authorizes a maximum grant of $1,400 or determined by student's expenses minus parental contribution, but not to exceed one-half cost. Because the program has not been fully funded, the maximum award given has been well

TABLE 14

GI BILL PAYMENTS BY STATE, GIVING TOTALS
AND PAYMENTS ON A PER CAPITA BASIS (FY 68-74)

States Ranked by Viet Vet Population		Viet Vet Population		State GI Bill Pmts. (FY 68-74)		Pmts. on Per Capita Basis (FY 68-74)
			Rank		Rank	
1	California	820,000	1	$1,726,620,000	7	$2110
2	New York	513,000	3	634,280,000	41	1240
3	Pennsylvania	386,000	5	483,680,000	39	1250
4	Texas	386,000	2	657,360,000	17	1700
5	Ohio	361,000	7	432,980,000	44	1200
6	Illinois	346,000	4	527,350,000	28	1520
7	Michigan	286,000	8	403,750,000	32	1410
8	Florida	250,000	6	435,860,000	14	1740
9	New Jersey	226,000	13	241,680,000	49	1070
10	Massachusetts	203,000	11	252,970,000	40	1250
11	Indiana	181,000	20	195,820,000	48	1080
12	Virginia	169,000	21	188,930,000	47	1120
13	Georgia	163,000	10	267,180,000	10	1960
14	Missouri	159,000	14	234,250,000	31	1470
15	North Carolina	153,000	12	250,290,000	20	1640
16	Washington	152,000	9	278,020,000	12	1830
17	Maryland	151,000	22	182,590,000	43	1210
18	Minnesota	145,000	15	224,810,000	25	1550
19	Wisconsin	142,000	16	214,700,000	29	1510
20	Tennessee	128,000	18	209,690,000	21	1640
21	Louisiana	106,000	24	175,420,000	19	1650
22	Connecticut	103,000	27	137,160,000	36	1330
23	Alabama	100,000	19	199,220,000	9	1990
24	Oklahoma	97,000	23	181,950,000	11	1880
25	Colorado	93,000	17	211,220,000	5	2270
26	Kentucky	93,000	30	123,440,000	37	1330
27	Iowa	89,000	29	123,750,000	33	1390
28	Oregon	87,000	26	154,150,000	13	1770
29	South Carolina	85,000	28	129,190,000	24	1563
30	Kansas	74,000	31	120,350,000	23	1630
31	Arizona	70,000	25	167,540,000	2	2390
32	Arkansas	57,000	32	95,410,000	18	1670
33	Mississippi	50,000	36	76,890,000	26	1540
34	West Virginia	50,000	38	67,070,000	35	1340
35	Nebraska	48,000	34	83,360,000	15	1740

TABLE 14 (continued)

GI BILL PAYMENTS BY STATE, GIVING TOTALS AND PAYMENTS ON A PER CAPITA BASIS (FY 69-74)

States Ranked by Viet Vet Population		Viet Vet Population	State GI Bill Pmts. (FY 68-74) Rank		Pmts. on Per Capita Basis (FY 68-74) Rank	
36	Utah	43,000	33	90,180,000	8	2100
37	Rhode Island	37,000	39	55,020,000	30	1490
38	New Mexico	35,000	35	79,960,000	4	2280
39	Maine	33,000	43	42,210,000	38	1280
40	Hawaii	31,000	37	69,010,000	6	2230
41	New Hampshire	30,000	45	35,980,000	45	1200
42	Montana	26,000	41	42,560,000	22	1640
43	Idaho	24,000	42	41,440,000	16	1730
44	Delaware	22,000	47	25,220,000	46	1150
45	Nevada	22,000	46	30,680,000	34	1390
46	North Dakota	16,000	40	42,740,000	1	2670
47	South Dakota	16,000	44	37,270,000	3	2330
48	Vermont	16,000	50	15,110,000	50	940
49	Alaska	13,000	49	15,970,000	42	1220
50	Wyoming	12,000	48	18,490,000	27	1540

Note. From Stuart F. Feldman. Geography Controls G.I. Bill Opportunities. Mimeograph. [Washington, D.C.: National League of Cities and United States Conference of Mayors, November 11, 1974, p. 15.]

under the $1,400 ceiling. Currently, the program is just completing its second year of operation and data is not available on an institution-by-institution basis. Funding for the academic year 1974-75 is $660 million.

State Based Student Aid--The third type of federally generated student aid is the *State Student Incentive Grant (SSIG)* program. This program also established by the Education Amendments of 1972, was developed to encourage further expansion of state scholarship and grant programs. Allotment of available funds is made to each state according to the ratio of the number of students in attendance at institutions of higher education compared to the total number of such students in attendance nationally. Requirements for state participation are:

- That a single state agency be delegated the sole responsibility for the management of the program.
- That states annually establish criteria defining "substantial financial need" of students, subject to approval by the Commissioner.
- That the nonfederal portion (50 percent) of grants awarded to students under this program be paid from the state's own resources and that such state funds represent an increase in the state's grant effort, as compared with expenditures for student grants in the second fiscal year preceding receipt of SSIG funds.
- Maximum award: $1,500 ($750 federal share).

SSIG funds allocated to Maryland in the academic year 1974-75 totaled $364,316. It is estimated that 1,457 new students will receive SSIG awards, with an estimated total mean award (state and federal funds combined) of $500. Data breakdown by individual institution is not yet available for SSIG recipients.

Institutional-Based Programs--The fourth type of federally generated student aid program is administered by the individual institutions.

The *Supplementary Educational Opportunity Grants Program (SEOG)* is

designed to aid the severely financially disadvantaged student. An SEOG award may range from $200 to $1,500 for each academic year of undergraduate study, provided each grant recipient receives an equal amount of financial assistance from one or more of the following sources: institutional, state, or privately financed grant programs; The Basic Educational Opportunity Grant Program; compensation for employment provided by the institution, including employment under the College Work Study Program; and/or institutionally provided loans, including the National Direct Loan Program. For the academic year 1973-74, Maryland's institutions granted 4,451 awards amounting to $3,071,664.

The *College Work Study Program* provides 80 percent of student payrolls at colleges, universities, or off-campus agencies willing to provide the remaining 20 percent of the cost. While the student's eligibility to participate in the College Student Work Study Program is based on financial need, the program itself has become less of a student aid program and more of a subsidy to the institution to help it meet its employment needs. As reported by an official at the Division of Student Assistance, Bureau of Higher Education, U.S.O.E., there have been cases where institutions were offered SEOG funds but indicated they would rather receive additional College Work Study funds, because these funds more directly help the institution. For the academic year 1973-74, 9,536 Maryland students participated in the College Work Study Program, receiving $4,043,616 in wages.

The *National Direct Student Loan Program* is the third institutional-based student aid program. Federal funds provide up to 90 percent of the new capital contribution for NDSL program funds. One of the unique features of this program is that the institutions themselves are responsible for collecting the loan, and all loan money collected remains

within the institution for reallocation in the NDSL program. This means that while an institution may request a certain appropriation, and the subsequent federal allocation may appear to be significantly below the original request, institutions may have built up a considerable amount of funds through repayment of older loans. Thus, the available funds an institution has to award in the NDSL program may equal or exceed its estimated need. While this condition generally may be an exception to the rule, it is a distinctive feature within the NDSL program. During the academic year 1973-74, 9,824 National Direct Student Loans were awarded to Maryland students for a total of $4,430,770.

Table 15 breaks down the three institutional-based aid programs by institution, number of awards, and total amount available per program. Examining these awards by level and control of institution, it can be seen that the greatest beneficiary of these programs is the public four-year institution. Looking at the number of awards per program as a percentage of total fulltime enrollment, it can be seen that 9.7 percent of this enrollment received CWSP awards, while only 7 percent of the two-year institution enrollment receives CWSP awards. The gap is even greater when the SEOG and NDSL awards are examined. Of the fulltime year enrollment at four-year institutions, 5.7 percent receive SEOG funds while only 2.4 percent of two-year institution enrollment receive these funds. Nearly 9.9 percent of four-year institution enrollment receives NDSL awards, while only 3.4 percent of two-year institution enrollment receives awards.

Private institutions are much more inclined to use the NDSL program as a means to aid their students, followed by the CWSP, with SEOG being a distant third. More than 17 percent of the fulltime enrollment at

TABLE 15

BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institutions	#	$	#	$	#	$
PUBLIC 2 YEAR COLLEGES:						
Allegany Comm. College	170	79,157	70	48,935		
Anne Arundel Comm. Coll.	105	48,924	16	11,763		
Catonsville Comm. Coll.	59	27,810	20	14,351	66	29,706
Cecil Comm. College	81	37,995	16	11,763		
Charles Co. Comm. Coll.	39	18,470	11	7,763		
Chesapeake Comm. Coll.	78	36,412	11	8,293	1	764
Comm. Coll. of Baltimore	85	39,578	65	45,194	84	37,943
Dundalk Comm. College	25	11,609	4	3,387	23	10,173
Essex Comm. College	74	34,670	16	11,151	18	8,520
Frederick Comm. Coll.	17	8,242	11	7,999	5	2,544
Garrett Comm. College	42	19,789	28	19,993	30	13,696
Hagerstown Comm. Coll.	57	26,649	22	15,377	13	6,084
Harford Comm. Coll.	113	52,771	52	36,466	81	36,658
Howard Comm. College	51	23,747	8	6,116	14	6,686
Montgomery Comm. Coll.	386	179,423	176	122,104	389	175,274
Prince Georges Comm. C.	211	98,155	70	48,935	101	45,578
SUB TOTAL	1,693	743,401	596	419,590	825	373,262
MEAN AWARD		439		704		453

TABLE 15 (continued)

BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institution	#	$	#	$	#	$
STATE 4 YEAR COLLEGES:						
Bowie State College	527	244,860	501	316,876	732	329,689
Coppin State College	1,324	614,647	791	548,048	1,260	567,043
Frostburg State Coll.	283	131,380	146	101,525	344	155,078
Morgan State College	811	376,762	398	275,734	448	201,977
St. Mary's College of Maryland	74	34,760	12	8,940	30	13,930
Salisbury State Coll.	51	23,957	55	38,372	120	54,138
Towson State College	284	131,929	130	90,342	425	191,561
U. of Maryland - College Park	1,054	489,192	551	381,839	1,364	614,031
Baltimore Co.	145	67,547	196	136,222	176	79,356
Baltimore City	128	59,737	21	14,539	156	70,215
Eastern Shore	284	131,929	106	73,403	25	11,443
SUB TOTAL	4,965	2,311,665	2,907	1,988,737	5,080	2,288,401
MEAN AWARD		466		684		450

TABLE 15 (continued)

BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institution	#	$	#	$	#	$
PRIVATE 4-YEAR COLLEGES:						
Antioch College - Wash.-Baltimore Campus	-	-	-	-	-	-
College of Notre Dame of Maryland	15	6,992	22	15,527	1	462
Columbia Union College	51	23,747	85	58,950	278	125,166
Goucher College	153	71,241	19	13,645	63	28,503
Hood College	-	-	17	12,375	40	18,046
Johns Hopkins Univ.	272	126,651	118	82,343	786	353,781
Loyola College	170	79,157	53	36,701	437	196,922
Maryland Institute	85	39,578	76	52,700	136	61,557
Mt. St. Agnes	-	-	-	-	-	-
Mt. St. Mary's College	45	21,108	30	21,174	64	28,966
Ner Israel Rabbinical Coll.	97	45,243	20	14,116	85	38,475
Peabody Institute	35	16,161	20	13,645	100	45,212
St. John's College	-	-	6	4,375	12	5,737
St. Mary's Seminary	28	13,192	29	20,567	74	33,408
U. of Baltimore	49	23,140	38	22,867	98	44,982
Washington College	14	6,595	13	9,057	56	25,218
Washington Bible College	-	-	-	-	-	-
Western Maryland College	-	-	41	28,472	88	39,770
SUB TOTAL	1,014	472,806	587	406,522	2,318	1,046,405
MEAN AWARD		466		693		451

TABLE 15 (continued)

BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institution	#	$	#	$	#	$
PRIVATE 2-YEAR COLLEGES:						
Bay College of Maryland	833	365,496	219	151,983	847	381,560
Ocean City College	34	15,831	6	4,323	57	25,664
Villa Julie College	65	30,607	44	30,584	79	35,860
SUB TOTAL	932	417,934	269	186,890	983	443,084
MEAN AWARD		448		695		451

TABLE 15 (continued)

BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institution	#	$	#	$	#	$
PROPRIETARY SCHOOLS:						
Arundel Institute of Technology	-	-	24	16,939	114	51,362
Award Beauty School	-	-	-	-	59	26,699
Baltimore College of Commerce	10	4,670	12	8,751	19	8,571
Baltimore Institute	156	72,824	24	17,127	233	105,269
Bryman School			30	20,821	103	46,272
Capital Institute of Technology	10	5,013	5	3,747	31	14,031
Church Home & Hospital School of Nursing	-	-	-	-	-	-
Del-Mar-Va Beauty Academy	-	-	-	-	-	-
Freestate Aviation	-	-	-	-	-	-
Hagerstown Business College	-	-	-	-	-	-
Helen Field School of Nursing	-	-	-	-	-	-
Maryland Drafting Institute	-	-	-	-	-	-
Maryland General Hospital School of Nursing	-	-	-	-	-	-
Maryland Medical Secretarial School	-	-	-	-	-	-

TABLE 15 (continued)
BREAKDOWN OF VARIOUS FEDERAL STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

	Federal Programs (a)					
	Work-Study		Supplementary Equal Opportunity Grants		National Direct Student Loans	
Institution						
PROPRIETARY SCHOOLS (cont.)						
Memorial Hospital of Nursing	-	-	-	-	-	-
Patricia Stevens Career Sch.	10	4,749	3	2,540	24	10,920
Peninsula Gen. Hospital Sch. of X-Ray Tech.	-	-	-	-	-	-
Professional Inst. of Commercial Art	-	-	-	-	-	-
RETS Electronic Inst.	-	-	-	-	-	-
Sinai Hospital Sch. of Nursing	-	-	-	-	-	-
Sinai Hospital Sch. of X-Ray Tech.	-	-	-	-	-	-
Strayer College	-	-	-	-	-	-
Tri-State Beauty Academy	-	-	-	-	-	-
Washington Business Sch.	22	10,554	-	-	35	16,070
Union Memorial Hosp. Sch. of Nursing	-	-	-	-	-	-
SUB TOTAL	208	97,810	98	69,925	618	279,194
MEAN AWARD		470		714		452
GRAND TOTAL	9,536	4,043,616	4,451	3,071,664	9,824	4,430,770

(a)Notification ot Members of Congress Regarding P.L. 89-329, The Higher Education Act of 1965, as Amended Report No. 74-1, 1973.

private institutions in Maryland were receipients of NDSL awards, while only 4.4 percent received SEOG funds.

MARYLAND STATE SCHOLARSHIP BOARD

The General Assembly of the State of Maryland has enacted legislation creating nine separate and distinct scholarship or grant programs for students who need financial help to obtain a college education.* These scholarships and grants are administered by the State Scholarship Board.

Essentially these programs can be broken down into four classes based on the program's eligibility requirements. The following will list the general characteristics and highlights of each program according to this classification.

1. Competitive-Need Based Program

The *General State Scholarships* was established in order to assist needy and deserving high school graduates of Maryland to obtain a college education at an institution of their choice. To accomplish this, the program received an appropriation of $1,011,000 in 1974-75. The characteristics of this program are:

(1) An applicant must have been accepted as a fulltime student in a regular undergraduate program at a degree granting institution of higher education or junior or community college within the State of Maryland.

(2) Awards are made by the State Scholarship Board based upon the student's score on a competitive examination and the

*For the benefit of the reader who wishes to know the precise details of each program, selected paragraphs from Article 77a of the 1957 annotated code and the 1973 cumulative supplement pertaining to each scholarship program has been provided in the Appendix.

demonstration of financial need. Fifty percent are granted to students who demonstrate the highest score and have need and 50 percent to the students who show the greatest need and who have also scored highest on the competitive exams.

(3) The amount of funds available for awards are allocated to each county and legislative district of Baltimore City as a percentage of the total funds and based on the number of Delegates it sends to the Maryland General Assembly.

(4) Minimum scholarship awarded: $200; maximum scholarship awarded: $1,500.

(5) Stipend may be applied to the cost of tuition, mandatory fees, and/or room and board.

(6) Applicant must be registered as a fulltime student.

(7) A recipient of a state scholarship may hold the scholarship for four years as long as he is a fulltime student and maintains a satisfactory academic record.

2. Scholarships Awarded by Legislators

Two of the scholarship programs made available to the students of Maryland are distributed by state senators and delegates. These programs have recently come under attack by several groups as being abused by these elected officials. The question of past abuses should not be a consideration in the analysis of these programs. What should be considered is that with a total appropriation of $2,664,000, and under the current regulations, is there the potential for political abuses?

The *Senatorial Scholarships* program has the largest appropriation with a budget of $2,494,000. Each state senator is allocated 145 scholarship units (each unit is worth $100) per year to be used in his

senatorial district or subdistrict. Important characteristics of this aid program are as follows:

(1). Minimum scholarship awarded: $200; maximum scholarship awarded: $1,500.

(2) Award may be used for tuition, mandatory fees or room and board.

(3) Applicant must be accepted for admission to the regular undergraduate program of the institution where the award is used.

(4) Award may be used on a fulltime or parttime basis.

(5) An applicant who has not successfully attended an institution of higher education for one year must take the scholastic aptitude test (SAT) or the American College Testing (ACT) examination. Senatorial scholarships are awarded on the basis of the student's score on these exams and financial need.

(6) Once an appointment has been received, a student shall be entitled to hold the award for four academic years.

(7) Applicant must file a special aid application with his state senator.

For *House of Delegates Scholarships*, each member of the House of Delegates during his term of office may award a number of scholarships that grant the recipients free tuition at any public supported university, four-year college, or community college in Maryland. For this program, $170,400 has been appropriated. Specific highlights of the program are as follows:

(1) Student recipients may only attend the University of Maryland, any Maryland State College, St. Mary's College

of Maryland, or any public community college within the state.

(2) While the delegate is allowed to appoint two students to a four-year award during his term of office, these two scholarships may be divided equally into two-year scholarships.

(3) Scholarships may be awarded to parttime students.

(4) Awards are granted on criteria as defined by each individual member of the House of Delegates.

(5) Applicants must apply to his Delegate for this aid.

3. Categorical, Need-Based Scholarships

The General Assembly of Maryland has established scholarships that are designed to aid the financially disadvantaged student whose parent is a deceased public protection officer or who has enrolled in an academic area considered to be criticaliy important to the state.

For *Children of Deceased Firemen, Law Enforcement Officers, and Rescue Squad Members Scholarships*, any child between the ages of 16 and 23 whose parent was employed in one of these occupations for the state or any of its political subdivisions and who was killed in the line of dutyis eligible for one of these scholarships. Awards are based on demonstration of financial need and may be applied toward the cost of tuition, matriculation fee, room and board, books, and supplies. A maximum award of $500 is granted. An appropriation of $15,000 has been set aside for this program.

For *Scholarships for Teachers of Persons with Impaired Hearing Including the Deaf*, any senior undergraduate student or candidate for a master's degree in the area of education for the hearing impaired,

including the deaf, who is recommended by a training center after consultation with the Maryland State Department of Education, and who has demonstrated financial need, may receive one of these scholarships. Thirty scholarships are available each year, 15 for teachers in the school of the deaf and 15 for teachers in public schools or state approved nonpublic schools. Each award is for the amount equal to the annual cost of tuition at the training center. An appropriation of $61,500 has been made available for this program.

The *Professional School Scholarship Program* is designed to provide financial assistance to financially needy residents of Maryland who desire to enter medical, dental, legal, nursing, or the pharmaceutical profession. Each scholarship, valued from $200 to $1,000 per year, may be used for tuition charges only. Awards are granted for one year but may be renewed for a total of four academic years. The total funding for this program depends upon receipts from the issuance of special motor-vehicle registration plates. Maximum funds available for this program are $150,000.

The State Scholarship Board selects 10 *Medical Scholarship* recipients each year from the qualified applicants admitted to the University of Maryland's School of Medicine. Each scholarship is in the amount of $1,500 per year for tuition fees and other costs. Each recipient must give bond to the state through the State Scholarship Board that he will practice general medicine for three years in an area of need within Maryland. This area of need shall be determined by the State Department of Health in consultation with the medical and surgical faculty of Maryland. Sixty-thousand dollars have been appropriated for this scholarship fund.

4. Categorical, Non-Need Based Scholarships

There are two scholarships administered by the State Scholarship Board that do not consider financial need as a consideration of eligibility.

The *War Orphans and POW's--MIA Grants* were established by the Maryland General Assembly to provide a measure of financial aid to those children who lost one or both parents during and after World War II in military service or whose parent is a totally or permanently disabled veteran. This status was amended in 1973 to include children of certain service personnel classified as missing in action (MIA) or as a prisoner of war (POW). An appropriation of $156,750 has been made for this scholarship program. Important characteristics of this program are:

(1) Maximum award $500.

(2) Award may be used for tuition fees, room, board, and other educationally related expenses.

(3) Awards are not based on demonstrated financial need or competitive examinations.

(4) A recipient may attend any school approved by the Maryland State Department of Education that offers postsecondary school education or training.

(5) Eligible schools may be either in-state or out-of-state institutions.

The *Reimbursement of Firemen Program,* any fireman or volunteer fireman may be reimbursed by the state for tuition cost required for courses "in fire service technology" taken at an accredited institution in Maryland. An appropriation of $50,000 has been made for this program.

Other State Scholarships

The Division of Vocational Rehabilitation sponsors several

Vocational Rehabilitation Grants that may be used at a postsecondary institution.

The *Other Race Grant Program* provides assistance to qualified students to encourage them to attend one of the participating state colleges where their race is in the minority. The state colleges participating in this program are Bowie State College, Coppin State College, Frostburg State College, Morgan State College, Salisbury State College, and Towson State College.

MARYLAND HIGHER EDUCATION LOAN CORPORATION

To stimulate the financial marketplace, Maryland has joined with the Federal Government in guaranteeing loans made by commercial lenders to students wishing to pursue a postsecondary education. This program guarantees educational loans made by eligible lenders to residents of Maryland who attend approved institutions of higher education, or vocational or technical schools. Eligible undergraduates and vocational students can borrow up to $1,500 per year to a total of $7,500. Graduate students may borrow up to $2,000 per year to a combined total of $10,000 per year. Interest is at the rate of 7 percent per annum and payment is deferred until the first day of the 10th month after the student graduates or leaves school. Table 16 provides a program summary for the 1973-74 fiscal year for the Maryland Higher Education Loan Corporation.

Table 17 shows a profile of student borrowers. This table shows that underclassmen are more likely to borrow than upperclassmen and seniors are least likely of all to borrow. A typical borrower is male, enrolled in a liberal arts or professional program, has good to average grades, is single, and comes from a family with an income ranging between $11,000 to $14,999.

Table 18 shows a profile of students who have defaulted on their

TABLE 16

MARYLAND HIGHER EDUCATION LOAN CORPORATION

PROGRAM SUMMARY FISCALS 1973 and 1974

	1973 Fiscal Year	1974 Fiscal Year
No. of applications received	5,735	6,495
No. of applications approved	5,231	5,885
Amount approved	$5,398,780	$7,030,852
Average loan	$1,032	$1,195
Number of lenders	87	95
Number of colleges	1,041	1,115
Number of vocational schools	91	98
Number of states (location of colleges)	50	50
Percentage of borrowers attending Maryland colleges	56%	61%
PROGRAM TO DATE		
	No.	Amt.
Total loans guaranteed	34,538	$34,239,676
Outstanding interim notes	15,239	16,548,620
Loans in repayment	6,901	10,678,055
Loans repaid in full	6,146	5,898,298
Loans repaid partially	1,022	613,227
Paid to lenders:		
default	1,121	1,014,793
death of disability	77	83,627
bankruptcies	14	16,283
Recoveries on defaults		248,515
Reimbursement on defaults, etc. under Federal Reinsurance		181,964

Note. From Annual Report, Maryland Higher Education Loan Corporation, p. 5.

TABLE 17

MARYLAND HIGHER EDUCATION LOAN CORPORATION

PROFILE OF STUDENT BORROWERS

	Fiscal Years 1966 thru 1972	Fiscal Year 1973	Fiscal Year 1974	Total	%
Academic Year					
Freshmen	6,128	1,349	1,465	8,942	26
Sophmores	5,447	1,047	1,236	7,730	22
Juniors	4,950	1,033	1,195	7,178	21
Seniors	4,004	827	936	5,767	17
Graduate	2,893	975	1,053	4,921	14
Total	23,422	5,231	5,885	34,538	100
Curriculum					
Liberal Arts	8,935	1,909	2,054	12,898	37
Education	3,611	806	806	5,223	15
Business	2,184	471	441	3,096	09
Engineering	2,209	183	188	2,580	07
Professional	2,570	779	1,006	4,355	13
Science	1,038	225	288	1,551	04
Vocational	1,537	670	800	3,007	09
Other	1,338	188	302	1,828	06
Total	23,422	5,231	5,885	34,538	100
Academic Performance					
Excellent	2,064	518	500	3,082	09
Good	8,095	2,066	2,442	12,603	36
Average	13,092	2,621	2,901	18,641	54
Unsatisfactory	171	26	42	239	01
Total	23,422	5,231	5,885	34,538	100
Sex					
Male	14,616	3,044	3,254	20,914	61
Female	8,806	2,187	2,631	13,624	39
Total	23,422	5,231	5,885	34,538	100

TABLE 17 (continued)

MARYLAND HIGHER EDUCATION LOAN CORPORATION

PROFILE OF STUDENT BORROWERS

	Fiscal Years 1966 thru 1972	Fiscal Year 1973	Fiscal Year 1974	Total	
Marital Status					
Single	20,175	4,164	4,690	29,029	84
Married	2,812	885	971	4,668	12
Separated	74	-	30	104	01
Divorced	67	-	-	67	01
Widowed	294	182	194	670	02
Total	23,422	5,231	5,885	34,538	100
Family Income					
Under $3,000	2,655	758	1,024	4,437	13
$3,000 - $5,999	3,136	895	853	4,884	14
$6,000 - $7,999	2,902	706	689	4,297	12
$8,000 - $8,999	1,620	314	324	2,258	07
$9,000 - $10,999	3,182	654	641	4,477	13
$11,000 - $14,999	5,636	1,057	1,089	7,782	22
$15,000 and Over	4,291	847	1,265	6,403	19
Total	23,422	5,231	5,885	34,538	100

Note. From Annual Report, Maryland Higher Education Loan Corporation, pp. 23-24.

TABLE 18

MARYLAND HIGHER EDUCATION LOAN CORPORATION
PROFILE OF STUDENTS IN DEFAULT

	Fiscal Years 1966 thru 1973	Fiscal Year 1974	Total	%
CURRICULUM				
Liberal Arts	322	110	432	36
Education	141	53	194	16
Business	152	35	187	16
Engineering	26	13	39	03
Professional	102	41	143	12
Science	26	14	40	03
Vocational	119	29	148	12
Other	17	12	29	02
Total	905	307	1,212	100
ACADEMIC PERFORMANCE				
Excellent	49	24	73	06
Good	266	91	357	30
Average	578	188	766	63
Not Satisfactory	12	4	16	01
Total	905	307	1,212	100
TYPE OF NOTE				
Interim	336	193	529	44
Payout	569	114	683	56
Total	905	307	1,212	100
STATUS AT TIME OF DEFAULT				
Withdrawal - Dropout	318	98	416	34
Graduated	543	186	729	60
Still in School	44	23	67	06
Total	905	307	1,212	100
REASON FOR DEFAULT				
Skip	144	26	170	14
Hardship/Illness	217	97	314	26
Borrower Neglect	13	1	14	01
Lender Neglect	1	0	1	01
Refusal	432	146	578	47
Military/Public Service	40	4	44	04
Death/Disability	53	24	77	06
Bankruptcy	5	9	14	01
Total	905	307	1,212	100

Note. From Annual Report, Maryland Higher Education Loan Corporation, p. 25.

guaranteed loans. There are several significant conclusions to be drawn when this data is compared with the profile of student borrowers. When comparing student academic majors, it appears that students who have majored in business or vocational programs are more likely to default than students in other majors. They are also more inclined to have only average grades. While over a quarter of the students who defaulted gave hardship or illness as a reason, nearly half simply refused to repay the loans. The important set of data that does not appear in this profile is the race and family income of the students who default. According to data available through the Maryland Higher Education Loan Corporation, students from the lower income brackets are more likely to default on their loans than students from upper income families. This raises some serious questions concerning the effectiveness of this form of student aid. It would appear that the overall objective of this student aid program has failed if low income students, due to lack of other resources, are forced to borrow beyond their means to achieve a higher education, only to default on their financial obligations once they leave school.

Table 19 displays the number and amount of awards for the General State Scholarships, Senatorial Scholarships, and the Guaranteed Loan Program by institution. Data concerning the other scholarship programs are not available for this type of analysis.

Looking at the awards by level and control of institution, the public four-year institutions and the private four-year institutions benefit equally from these programs in terms of the number of award recipients compared to total fulltime enrollment. For public institutions, 0.8 percent of their fulltime enrollment receives state scholarships; 3.4 percent receives senatorial scholarships and 4.6 percent

TABLE 19

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
PUBLIC 2-YEAR COLLEGES:						
Allegany Comm. Coll.	5	1,000	22	5,900	40	35,100
Anne Arundel Comm. Coll.	3	700	18	4,500	10	8,775
Catonsville Comm. Coll.	7	1,400	34	7,600	27	21,750
Cecil Comm. College	1	200	4	1,200	1	600
Charles Co. Comm. Coll.	1	300	3	700	-	-
Chesapeake Comm. Coll.	-	-	7	2,700	6	7,000
Comm. Coll. of Baltimore	5	1,400	18	4,500	28	32,733
Dundalk Comm. Coll.	-	-	3	600	—	-
Essex Comm. College	17	3,400	68	14,500	25	24,228
Frederick Comm. Coll.	-	-	4	800	5	3,000
Garrett Comm. Coll.	1	200	1	300	17	9,340
Hagerstown Comm. Coll.	6	1,700	22	5,800	3	2,740
Harford Comm. College	-	-	5	1,100	15	12,700
Howard Comm. College	-	-	-	-	9	8,000
Montgomery Comm. Coll.	6	1,900	19	6,000	29	31,704
Prince George's Comm. College	4	800	21	44,300	15	10,871
SUB TOTAL	56	13,000	249	60,500	230	208,541
MEAN AWARD		232		243		907

TABLE 19 (continued)

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
STATE 4-YEAR COLLEGES:						
Bowie State College	7	3,100	15	4,900	105	122,265
Coppin State College	1	300	17	4,700	82	85,262
Frostburg State Coll.	41	20,100	154	65,800	140	149,806
Morgan State College	11	4,900	79	26,000	303	318,770
St. Mary's College of Maryland	10	6,000	43	17,400	46	40,970
Salisbury State Coll.	22	8,900	83	25,400	84	86,828
Towson State College	53	18,300	310	98,800	169	156,600
U. of Maryland - College Park	167	86,400	682	275,300	891	893,310
Baltimore Co.	79	35,700	294	106,900	176	172,504
Baltimore City	-	-	35	14,900	288	429,775
Eastern Shore	5	2,600	28	10,600	70	72,524
SUB TOTAL	396	186,300	1,740	650,700	2,354	2,528,614
MEAN AWARD		470		373		1,074

TABLE 19 (continued)

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
PRIVATE 4-YEAR COLLEGES:						
Antioch College - Wash.-Balto. Campus	-	-	-	-	21	30,550
Coll. of Notre Dame of Maryland	2	500	20	7,400	31	35,800
Columbia Union Coll.	1	1,000	5	2,700	24	31,695
Goucher College	9	6,000	16	7,700	51	49,940
Hood College	1	500	22	11,900	38	44,223
Johns Hopkins Univ.	49	37,300	44	17,300	77	87,162
Loyola College	41	24,400	130	51,900	70	78,982
Maryland Inst.	13	10,000	51	25,000	78	94,100
Mt. St. Agnes	-	-	-	-	5	6,000
Mt. St. Mary's Coll.	4	1,800	28	12,900	32	37,350
Ner Israel Rabbinical College	-	-	2	600	1	1,500
Peabody Institute	1	500	3	1,200	12	15,830

TABLE 19 (continued)

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
PRIVATE 4-YEAR COLLEGES (continued):						
St. John's College	1	700	5	1,600	11	10,950
St. Mary's Seminary	-	-	1	500	38	47,850
Univ. of Baltimore	10	5,200	43	17,200	151	186,114
Washington College	12	8,900	28	12,300	36	38,135
Washington Bible Coll.	-	-	2	1,000	2	2,000
Western Md. College	42	27,800	88	34,800	96	121,350
SUB TOTAL	186	124,600	488	206,000	774	919,531
MEAN AWARD		670		422		1,188
PRIVATE 2-YEAR COLLEGES:						
Bay College of Md.	-	-	-	-	1	1,000
Ocean City College	-	-	-	-	-	-
Villa Julie College	7	3,400	12	4,500	9	11,850
SUB TOTAL	7	3,400	12	4,500	9	11,850
MEAN AWARD		486		375		1,317

TABLE 19 (continued)

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
PROPRIETARY SCHOOLS:						
Arundel Inst. of Technology	-	-	-	-	48	53,334
Award Beauty School	-	-	-	-	-	-
Baltimore Coll. of Commerce	-	-	-	-	-	-
Baltimore Institute	-	-	-	-	-	-
Bryman School	-	-	-	-	-	-
Capital Institute of Technology	-	-	-	-	-	-
Church Home & Hospital School of Nursing	-	-	-	-		3,550
Del-Mar-Va Beauty Academy	-	-	-	-	-	1,000
Freestate Aviation	-	-	-	-		1,250
Hagerstown Business College	-	-	1	200	4	4,700
Helen Field School of Nursing	-	-	-	-	4	4,760
Maryland Drafting Inst.	-	-	-	-	15	17,660
Maryland General Hospital School of Nursing	-	-	-	-	3	2,150
Maryland Medical Secretarial School	-	-	--	-	21	27,018

TABLE 19 (continued)

BREAKDOWN OF VARIOUS STATE STUDENT AID PROGRAMS
AVAILABLE IN MARYLAND BY INSTITUTIONS
1973-74

Institutions	State Programs					
	General State Scholarships (a)		Senatorial Scholarships (a)		Guaranteed Loans (b)	
	# of Awards	Total Amount	# of Awards	Total Amount	# of Awards	Total Amount
PROPRIETARY SCHOOLS (continued):						
Memorial Hospital School of Nursing	-	-	-	-	1	900
Patricia Stevens Career School	-	-	-	-	10	13,200
Peninsula General Hosp. Sch. of X-Ray Tech.	-	-	-	-	1	1,480
Professional Inst. of Commercial Art	-	-	-	-	3	3,950
RETS Electronic Inst.	-	-	-	-	8	8,710
Sinai Hosp. Sch. of Nursing	-	-	-	-	1	1,000
Sinai Hosp. Sch. of X-Ray Tech.	-	-	-	-	2	2,750
Strayer College	-	-	-	-	8	8,550
Tri-State Beauty Academy	-	-	-	-	2	2,250
Washington Business Sch.	-	-	-	-	-	-
Union Mem. Hosp. Sch. of Nursing	-	-	-	-	4	3,047
SUB TOTAL	-	-	1	200	141	161,259
MEAN AWARD	-	-	-	200		1,144
GRAND TOTAL	645	316,245	2,490	921,900	3,570	3,887,200

(a) Annual Report. Baltimore, Maryland: Maryland Scholarship Board, June 1974. This is a listing of only the awards granted during 1973-74 and does not include renewals.

(b) Annual Report to the Governor and the General Assembly of Maryland. Baltimore, Maryland: Maryland Higher Education Loan Corporation, June 30, 1974.

receive state guaranteed loans. For the private institutions, 1.3 percent of the fulltime student enrollment receive state scholarships, 3.6 percent receive senatorial scholarships, and 5.3 percent receive state guaranteed loans.

It is the two-year public sector that appears to receive the least benefit from these aid programs. Only 0.2 percent of the fulltime student enrollment receive state scholarships, 1.0 percent senatorial scholarships, and 0.9 percent guaranteed loans. The reason for this may be a perception by the authorizing organizations that expenses at community colleges are significantly lower than at state colleges or private institutions. However, if the data on the average cost of Maryland institutions displayed in Table 11 is accurate, it appears that this perception is false. It is estimated that the total cost for community colleges is $1,627, while for state colleges it is $1,880, and for the state university $1,989 per year. Thus the difference between the public two-year schools and the public four-year schools is only between $253 and $362. This small difference would not appear to justify the large differences in the percentage of students receiving awards.

This inequity also exists when the distribution of student aid funds are examined according to the mean award for institutions by level and control. While the estimated cost for private institutions as compared with two-year community colleges is 1.9 times greater, the mean state scholarship award is 2.8 times greater. It should be noted there does not appear to be this difference in mean awards for the senatorial scholarships and the guaranteed loans.

SUMMARY

The student aid programs available have been very instrumental in

helping Maryland citizens gain some form of postsecondary education. The question that now must be asked is what aspects of these programs are hindering these programs from being equitable and responsive to the needs of the state and the needs of the individual student?

First, and foremost, the system of student aid is much more complicated than it needs to be. While a student in the State of Maryland is in the envious position of being able to qualify for many different types of aid--scholarships, work-study aid, and loans--sponsored by and available from many different sources--federal, state, and institutional--the student also must face and conquer a maze of procedures and eligibility requirements before he can receive this aid.

Second, there is no state sponsored scholarship program that is exclusively need based. Each program has a competitive, political, and categorical requirement that makes it doubtful it will reach the student who has demonstrated financial need.

Third, because of the various awarding procedures many students do not know how much aid they will receive when they make their educational decisions.

Fourth, many students who wish to pursue a postsecondary education on a parttime basis are excluded from aid programs.

And fifth, the distribution of awards, both in number and amount, appears to be inequitable.

CHAPTER 4

ANALYSIS OF AID EFFORT

There is one reality that becomes abundantly clear when one begins to analyze the impact of student aid programs in Maryland. There is not sufficient data available to more than sufficiently judge whether or not aid programs are reaching their stated objectives. There has been no longitudinal survey of aid recipients; there is no readily available breakdown by program of the recipient's socioeconomic status and family income; nor is there a planned yearly data gathering operation that attempts to assess to what extent the financial needs of Maryland student are being met; that is, in what way is the "need gap" being closed and to what degree is the open financial marketplace meeting the student demands for higher education loans?

Because of this lack of data the major attention of this chapter will focus on the efforts of the State of Maryland to support higher education and student aid in relation to the efforts of other states. The concluding section of this chapter will review the total funds available for student aid and the institution's estimate of unfulfilled student financial need as reported to the federal government in their tripartite application for the three institutional-based, federal student aid programs. While there is some concern about the accuracy of the institutional reporting and a suspicion that these reports are somewhat exaggerated or "bloated," they do give a relative picture as to how well the available aid programs are meeting students' financial needs.

STATE EFFORT

Level of Effort for Total Support of Higher Education

In order to assess the level of effort the State of Maryland has given to meet the financial need of the higher education student, there

must first be an examination of the total support Maryland gives to higher education in general. Table 20 displays the amount of funds each state has appropriated for higher education in 1974-75. The appropriations are then broken down into three categories: appropriations per students, appropriations per capita, and appropriation per $1,000 of personal income. In all three categories Maryland ranks in the bottom half. While the amount of funds appropriated per student ($2,233) ranks Maryland 26th among all states, Maryland ranks 37th when the appropriations are broken down per capita (state appropriations divided by July 1973 population, as reported by the U.S. Bureau of Census).

A much more important indicator of relative effort is given in the last category--the amount of funds appropriated per $1,000 of personal income. It is this category that indicates what degree of effort, relative to the wealth of the state, is being exerted to support higher education. Maryland is ranked 45th or, to put it another way, there are 44 states that are exerting a greater effort in relation to their wealth in support of higher education.

State Student Aid Programs

A second method of analyzing Maryland's level of effort in support of higher education is to compare the amount of funds appropriated for student aid programs to the other states' efforts. In the latest survey of undergraduate scholarship and grant programs conducted by the National Association of State Scholarship Programs (Boyd 1974), 39 states have been identified as having active scholarship programs. Eleven other states were indicated as having received federal funds for the State Student Incentive Grant program. However, at the time of the survey these eleven states had programs pending rather than operational.

Table 21 displays the total amount of state funds appropriated for

TABLE 20
STATE SUPPORT OF HIGHER EDUCATION

	1974-75 Appropriations(a) Amount (Add 000)	Appropriations per student(b)		Appropriations per capita(c)		Approp. per $1,000 of personal income(d)	
		Amount	Rank	Amount	Rank	Amount	Rank
Alabama	$ 158,110	$2,088*	35	$44.68	36	$11.54	19
Alaska	36,073	8,552	1	109.31	1	18.42	1
Arizona	152,549	2,229	28	74.12	2	15,80	5
Arkansas	82,421	2,431	18	40.46	45	10.24	31
California	1,365,861	2,204	30	66.30	8	12.01	18
Colorado	167,154	2,024	36	68.59	6	13.64	11
Connecticut	135,247	2,648	12	43.97	39	7.40	46
Delaware	37,206	2,378	21	64.59	12	11,38	22
Florida	412,299	2,855*	7	53.70	23	10.91	24
Georgia	237,416	2,881	6	49.61	30	11.29	21
Hawaii	58,740	2,020	37	70.60	4	12.74	13
Idaho	50,238	2,631	13	65.24	11	14.78	8
Illinois	612,545	2,914	5	54.52	21	9.45	37
Indiana	247,119	2,499	15	46.49	35	9.32	40
Iowa	147,785	2,407*	20	50.89	25	9.65	36
Kansas	126,502	1,873*	44	55.51	18	10.47	29
Kentucky	169,604	2,676	11	50.75	26	12.58	14
Louisiana	185,531	2,119	34	49.29	32	12.54	15
Maine	45,705	2,454	17	44.46	38	10.89	25
Maryland	181,704	2,233*	26	44.64	37	8.13	45
Massachusetts+	199,761	2,179	31	34.33	49	6.54	49
Michigan	524,173	2,490*	16	57.96	16	10.44	28
Minnesota	194,311	2,162*	32	49.86	28	9.71	35
Mississippi	130,729	2,270	24	57.31	17	16.12	3
Missouri	197,911	2,207	29	41.60	42	8.59	43
Montana	38,249	1,854	45	53.05	24	11.33	20
Nebraska	85,400	2,292	23	55.38	20	10.51	27
Nevada	29,720	2,244	25	54.23	22	9.44	38

TABLE 20 (continued)

STATE SUPPORT OF HIGHER EDUCATION

	1974-75 Appropriations(a) Amount (add 000)	Appropriations per student(b) Amount	Rank	Appropriations per capita(c) Amount	Rank	Approp. per $1,000 of personal income(d) Amount	Rank
New Hampshire	$ 18,380	$1,162	50	$23.24	50	$ 4.95	50
New Jersey	298,512	2,724*	10	39.33	47	6.73	48
New Mexico	61,382	1,967	39	55.50	19	14.40	10
New York	1,159,880	3,515*	2	63.50	14	11.13	23
North Carolina	337,044	3,025	4	63.92	13	14.93	7
North Dakota	31,730	1,380	49	49.58	31	8.71	42
Ohio	386,017	1,919*	41	35.97	48	7.09	47
Oklahoma	105,970	1,475	48	39.79	46	9.17	41
Oregon	129,889	1,913	42	58.38	15	12.08	17
Pennsylvania+	485,242	2,770*	8	40.77	44	8.17	44
Rhode Island	47,036	2,752	9	48.34	33	9.99	33
South Carolina	180,558	3,409	3	66.24	9	17.06	2
South Dakota	32,221	1,908	43	47.04	34	9.98	34
Tennessee	169,833	2.161	33	41.16	43	10.05	32
Texas	509,180	1,788*	46	43.17	41	9.44	38
Utah	75,740	1,950	40	65.46	10	16.08	4
Vermont	20,120	1,760	47	43.36	40	10.70	26
Virginia	242,359	2,417*	19	50.38	27	10.31	30
Washington	232.343	2,016	38	67.76	7	13.15	12

TABLE 20 (continued)

STATE SUPPORT OF HIGHER EDUCATION

	1974-75 Appropriations(a) Amount (add 000)	Appropriations per student(b) Amount	Rank	Appropriations per capita(c) Amount	Rank	Approp. per $1,000 of personal income(d) Amount	Rank
West Virginia	$ 89,034	$2,231	27	$49.63	29	$12.53	16
Wisconsin+	327,321	2,542*	14	71.64	3	15.08	6
Wyoming	24,306	2,308	22	68.86	5	14.67	9
Total U.S.	$10,965,160	$2,373		$52.25		$10.36	

Note. From The Chronicle of Higher Education, October 21, 1974, p. 8.

*Indicates states whose appropriations included at least one percent specifically appropriated for private institutions or students attending private institutions.

+estimate

(a) Reported by M.M. Chambers of Illinois State University.

(b) State appropriations divided by number of full-time students in public institutions in fall, 1973, reported by U.S. Office of Education.

(c) State appropriations divided by July 1973 population, reported by U.S. Bureau of the Census.

(d) Per capita appropriations divided by thousands of dollars of per capita personal income for 1973, reported by U.S. Department of Commerce.

TABLE 21

A COMPARISON OF STATE NEED-BASED
STUDENT AID PROGRAMS
1973-74

State	Total Number of Full-time Enrollment (a)	Total Amount State Aid Programs (b) $	Number of Awards (b)	Average Award (b) Amount $	Average Award (b) Rank	Number of Awards as a percent of Full-time Enrollment %	Number of Awards as a percent of Full-time Enrollment Rank	Total Awards as a percent of Total (c) Appropriation %	Total Awards as a percent of Total (c) Appropriation Rank
California	689,743	41,057,114	47,320	868	5	6.7	18	3.0	16
Colorado	91,478	4,042,800	12,805	550	25	14.0	7	4.2	12
Connecticut	84,230	2,666,500	4,721	565	24	5.6	22	2.0	20.5
Delaware	18,015	75,000	125	600	21	.7	35.5	.2	36
Florida	175,331	4,864,055	4,448	1,094	3	2.5	29.5	1.2	26
Georgia	103,061	1,186,116	3,800	312	39	3.7	36	.5	31.5
Idaho	26,100	35,000	46	761	13	.2	38	.07	37
Illinois	305,722	63,220,000	90,000	702	15	29.4	4	10.3	3
Indiana	142,457	11,800,000	15,278	772	12	10.7	8	5.4	7
Iowa	92,529	6,572,591	7,759	847	7	8.4	11	4.4	9.5
Kansas	81,576	2,883,500	3,453	835	8	4.2	25	2.3	17.5
Kentucky	79,912	554,500	1,614	344	37	2.0	32	.3	34
Maine	26,014	384,660	420	913	4	1.6	34	.8	27.5
Maryland - General State Scholarship (d) only	97,754	1,011,000	3,000	337	38	3.1	27	.6	30
All Scholarship Programs	97,754	4,168,650	8,055	525	26	8.2	12.5	2.3	17.5
Massachusetts	224,584	11,198,000	18,400	609	20	8.2	12.5	5.6	6
Michigan	251,957	18,567,928	22,430	828	9	8.9	10	3.5	14
Minnesota	120,291	8,526,365	12,342	691	17	10.3	9	4.4	9.5
Missouri	131,334	3,874,786	7,651	506	27	5.8	21	2.0	20.5
Nebraska	50,571	286,332	337	850	6	.7	35.5	.3	34
New Jersey	142,672	27,579,250	48,508	569	23	40.0	2	9.5	4
New York	538,927	108,450,000	269,000	403	32	50.0	1	9.4	5

TABLE 21 (continued)

A COMPARISON OF STATE NEED-BASED
STUDENT AID PROGRAMS
1973-74

State	Total Number of Full-time Enrollment (a)	Total Amount State Aid Programs (b) $	Number of Awards (b)	Average Award (b) Amount $	Rank	Number of Awards as a percent of Full-time Enrollment %	Rank	Total Awards as a percent of Total (c) Appropriation %	Rank
North Dakota	24,863	255,500	731	350	36	2.9	28	.8	27.5
Ohio	280,589	17,540,000	40,000	439	29	14.3	6	4.5	8
Oklahoma	87,375	540,000	2,000	270	40	2.3	31	.5	31.5
Oregon	77,099	2,333,853	5,389	433	30	7.0	17	1.8	22
Pennsylvania	305,077	73,191,262	107,871	679	18	35.3	3	15.0	1
Puerto Rico	55,588	163,421	220	743	14	.4	37	NA	NA
Rhode Island	34,646	6,983,650	2,528	785	10	.4	37	4.2	12
South Carolina	67,430	6,080,000	4,892	1,242	1	7.3	15.5	3.4	15
South Dakota	23,327	212,620	576	369	35	2.5	29.5	.7	29
Tennessee	111,601	3,618,205	5,808	623	19	5.2	23	2.1	19
Texas	337,647	7,500,000	15,000	500	28	4.4	23	1.5	24
Trust Territories	-	783	1	783	11	-	-	-	-
Vermont	63,393	2,804,000	4,050	692	16	6.4	19	13.9	2
Virgin Islands	576	400,952	352	1,139	2	-	-	-	-
Virginia	120,238	800,000	2,000	400	33	1.7	33	.3	34
Washington	126,792	3,195,972	7,711	414	31	6.0	20	1.4	23

TABLE 21 (continued)

A COMPARISON OF STATE NEED-BASED
STUDENT AID PROGRAMS
1973-74

State	Total Number of Full-time Enrollment (a)	Total Amount State Aid Programs (b)	Number of Awards (b)	Average Award (b) Amount $	Rank	Number of Awards as a percent of Full-time Enrollment %	Rank	Total Awards as a percent of Total (c) Appropriation %	Rank
West Virginia	48,500	1,500,000	3,800	395	36	7.8	14	1.7	23
Wisconsin	154,745	13,668,500	23,135	591	22	15.0	5	4.2	12
- FOURTEEN STATES DO NOT HAVE NEED-BASED SCHOLARSHIP PROGRAMS -									

(a) W. Vance Grant and C. George Lind. Digest of Educational Statistics - 1973 Edition. Washington, D.C.: Government Printing Office, 1974, Table 8, p.68.

(b) Joseph D. Boyd. 1974-75 Undergraduate State Scholarship/Grant Programs - Sixth Annual Survey. Deerfield, Illinois: Illinois State Scholarship Commission, October 1974.

(c) Based on appropriation figures from Table 22

(d) Only the Maryland General State Scholarship Program was considered by the National Association of State Scholarship Programs to be need-based and noncategorical, and therefore eligible to be considered in their survey. When examining the data for all Maryland scholarship programs it should be taken into consideration that this data has been compared with only need-based programs.

need-based scholarship programs and the number of awards granted. Data for state categorical programs, that is student aid programs classified as other than competitive or noncompetitive need-based programs (such as Maryland's War Orphans Grant) have not been included in this analysis. However, there is a separate analysis for Maryland that includes both the noncategorical grants as well as the categorical student aid programs.

In terms of the general size of the state student aid programs, there is a considerable range in the amount of funds appropriated and the number of awards granted by each state. An examination of appropriations shows that New York State appropriated $108,450,000 for its need-based programs while Idaho only appropriated $35,000. An examination of the number of awards show New York State to be the leader, with 269,000 student awards and Idaho last, with only 46 awards. While this type of analysis indicates the large differences in size and scope of various programs, it does not indicate the level of effort. Three types of analysis are used to measure a state's level of effort: average award by amount and rank, number of awards as a percent of fulltime enrollment by percent and rank, and total aid appropriation as a percent of total appropriation for higher education by percent and rank.

For student aid to be effective, the award must be substantial enough to have some meaning to the student.* While New York ranks first in total amount of funds appropriated and number of awards granted, it

*In a study of five state scholarship programs (Fife 1975), it was demonstrated that the smaller the award, the less impact on the student. The study concluded that in need-based scholarship programs, award should be somewhere over $450 before consistent impact could be detected.

ranks 32nd in the size of the average award. The largest average award granted was in the South Carolina program, with a mean award of $1,242. Maryland is ranked 38th for the general scholarship program, with a mean award of $337, and 26th for all scholarship programs, with a mean award of $525.

The size of the average award is an important consideration when examining the impact of an aid program on the individual recipient. It is equally important to try to assess the importance of the student aid program on the entire fulltime enrollment. In examining the number of awards granted, as compared with the total fulltime enrollment, New York State grants one award for every two students. Maryland is ranked 27th based on its efforts for the General State Scholarship program. However, when all Maryland State scholarship programs are considered, it is ranked 12.5 (tied with Massachusetts). While this appears to be a respectable ranking, it must be pointed out that the total state scholarship program of Maryland only serves a maximum of 8.2 percent of the students enrolled fulltime in higher education institutions. Naturally if this analysis were to consider total enrollment (part-time and fulltime students), the impact would be considerably less.

In this analysis of the total appropriation made for scholarship funds in relation to the total appropriations made for higher education, Pennsylvania is ranked first, with an appropriation of $73,191,262, which equals 15 percent of the total appropriation for higher education. Maryland's ranking for its only need-based non-categorical scholarship program is 30th, with an appropriation of $1,011,000, equaling 0.6 percent of the total appropriation for higher education. When considering all of Maryland's scholarship programs, the ranking moves up to 17.5 or 2.3 percent of the total appropriation.

INSTITUTIONAL BASED FEDERAL STUDENT AID PROGRAMS

Having examined the State of Maryland's appropriation efforts in support of higher education, it will be useful now to examine the federal student aid received by Maryland in relation to other states in attracting the institutionally-based, federally-funded student aid programs: i.e., the College Work Study program, the Supplementary Equal Opportunity Grants, and the National Direct Student Loans. Table 22 lists the individual states, the total amount of funds received for each program and the 1973 fulltime enrollment for each state. From this data a mean aid award is calculated from which each state is ranked. The range of mean awards is considerable. The State of Maine is ranked 1st with a mean award of $304. The State of Nevada is ranked 51st (District of Columbia is counted as a state), with a mean award of $87. Maryland is ranked 32.5, with a mean award of $123. This mean award does not indicate average award for each student. Since most aid recipients are granted an aid package made up of a combination of scholarships, loans, and work programs, the average award is considerably higher than as seen in Table 22. However, the number of students receiving awards is much less than indicated by the grand total of number of awards from all programs.

There are several criteria that affect how much federal student aid is awarded to each institution. One of the criteria is the number of students determined to have need. A broad indicator of the relative need level for each state is the per capita family income ranking. The 1969 per capita income rank indicates that Maine is ranked number 39, Nevada is ranked number 7, and Maryland is ranked number 8 (U.S. Bureau of the Census 1974, p.387). The suggested interpretation for this

TABLE 22
INSTITUTIONAL BASED FEDERAL STUDENT AID
BY STATE
1973-74

State	1972 Total Full-time Enrollment	College Work-Study Program	Supplementary Equal Opportunity Grants	National Direct Student Loans	State Student Incentive Grants	Total Awards	Mean Awards	
							Amount	Rank
Alabama	89,690	5,802,379	3,280,148	4,353,050	-	13,435,577	150	11
Alaska	4,881	446,240	272,872	199,889	-	919,001	188	3
Arizona	72,317	2,425,222	1,742,842	3,040,840	-	7,208,904	100	48
Arkansas	41,888	3,357,696	1,404,695	2,182,388	110,408	7,055,137	168	8
California	719,039	23,237,051	23,201,591	31,122,641	2,981,391	80,543,674	112	44
Colorado	93,923	3,750,109	2,713,925	4,204,407	280,095	10,948,536	117	37
Connecticut	85,324	2,976,082	2,459,504	3,799,041	284,087	9,518,714	112	44
Delaware	18,336	642,315	568,134	763,682	56,841	2,030,972	111	46
District of Columbia	46,833	1,681,602	1,435,879	2,186,279	164,768	5,468,528	117	37
Florida	180,474	7,480,097	5,011,315	7,862,252	564,055	20,917,719	116	40
Georgia	106,257	6,390,308	2,961,468	4,907,452	306,116	14,565,344	137	20
Hawaii	30,949	959,168	737,102	1,118,040	-	2,808,310	91	50
Idaho	25,410	914,825	807,340	1,217,427	34,000	2,973,592	117	37
Illinois	304,243	12,412,619	10,264,971	14,293,720	1,054,668	38,025,978	125	29
Indiana	139,934	5,396,896	4,499,967	7,513,543	436,736	17,847,142	128	27
Iowa	91,008	3,925,939	3,514,321	5,095,802	237,372	12,773,434	140	17.5
Kansas	78,457	2,844,022	2,432,820	4,115,495	233,884	9,626,221	123	32.5
Kentucky	78,292	4,770,515	2,459,776	4,100,879	234,540	11,565,710	148	13
Louisiana	102,547	6,130,252	3,380,432	4,804,792	-	14,315,476	140	17.5
Maine	27,049	2,797,146	4,117,104	1,238,469	74,937	8,227,656	304	1
Maryland	99,990	3,962,363	3,443,446	4,490,199	364,316	12,260,324	123	32.5
Massachusetts	232,192	12,004,375	8,287,816	10,676,678	698,027	31,666,896	136	21
Michigan	250,131	9,321,907	8,542,452	12,711,953	881,800	31,458,112	126	28
Minnesota	120,070	5,818,276	6,479,860	6,358,997	342,617	18,999,750	158	9
Mississippi	64,725	4,885,174	3,014,433	3,291,125	164,366	11,355,098	175	5

TABLE 22 (continued)
INSTITUTIONAL BASED FEDERAL STUDENT AID
BY STATE
1973-74

State	1972 Total Full-time Enrollment	College Work-Study Program	Supplementary Equal Opportunity Grants	National Direct Student Loans	State Student Incentive Grants	Total Awards	Mean Awards	
							Amount	Rank
Missouri	127,274	5,420,293	3,917,734	6,671,916	409,502	16,419,445	129	25.5
Montana	22,433	1,566,091	657,242	975,451	57,730	3,256,514	145	14
Nebraska	48,613	2,015,607	1,479,328	2,709,773	143,166	6,347,874	131	24
Nevada	13,321	402,400	274,696	444,780	35,363	1,157,239	87	51
New Hampshire	28,052	1,504,443	1,366,850	1,258,113	61,833	4,191,239	149	12
New Jersey	149,249	6,023,371	4,637,223	6,041,954	522,296	17,224,844	115	42
New Mexico	33,565	1,770,530	1,326,078	1,578,173	99,290	4,774,071	142	15
New York	563,944	19,443,777	16,776,793	23,846,823	1,844,132	61,911,525	110	47
North Carolina	157,669	8,181,440	4,888,297	6,790,039	406,453	20,266,229	129	25.5
North Dakota	24,193	1,230,968	1,545,331	1,354,192	64,578	4,195,069	173	6
Ohio	276,202	10,977,504	8,879,215	13,605,109	846,230	34,308,058	124	30.5
Oklahoma	85,928	3,533,127	2,422,609	4,476,222	264,986	10,685,944	124	30.5
Oregon	79,750	5,766,350	3,523,292	4,036,995	267,180	13,593,817	170	7
Pennsylvania	306,372	12,087,462	9,351,464	14,273,549	879,800	36,592,275	119	34.5
Rhode Island	34,297	1,258,823	1,098,792	1,514,978	108,440	3,981,033	116	40
South Carolina	73,034	4,483,023	2,166,194	2,843,755	203,415	9,696,387	133	23
South Dakota	22,173	1,185,126	1,520,294	1,332,992	62,620	4,101,032	185	4
Tennessee	112,515	5,964,544	3,627,289	5,327,296	319,392	15,238,521	135	22
Texas	346,014	14,310,633	9,569,706	13,868,289	1,057,336	38,805,964	112	44

TABLE 22 (continued)
INSTITUTIONAL BASED FEDERAL STUDENT AID
BY STATE
1973-74

State	1972 Total Full-time Enrollment	College Work-Study Program	Supplementary Equal Opportunity Grants	National Direct Student Loans	State Student Incentive Grants	Total Awards	Mean Awards	
							Amount	Rank
Utah	62,712	1,661,877	1,618,475	2,419,367	168,466	5,868,185	94	49
Vermont	22,242	1,654,521	1,604,083	914,364	55,720	4,228,688	190	2
Virginia	124,350	5,605,999	3,372,398	5,097,970	382,689	14,459,056	116	40
Washington	133,666	5,025,205	4,601,442	5,926,661	418,713	15,972,021	119	34.5
West Virginia	47,975	2,934,188	1,663,521	2,688,796	137,878	7,424,383	155	10
Wisconsin	152,679	5,518,527	7,902,931	7,359,040	472,294	21,252,792	139	19
Wyoming	10,529	448,593	417,858	577,065	36,141	1,479,657	141	16

Note. From the National Center for Educational Statistics as found in The Chronicle of Higher Education, January 14, 1974, p.10.

data is that while the per capita mean income for Maryland is relatively high, and therefore the overall state need is considerably lower when compared to other states, the relative size of the higher education activity is substantial enough to attract more funds than other states having lower per capita mean income. On the whole, it appears that Maryland's ability to attract federally sponsored student aid is better than the efforts of many other states.

STUDENT AID NEED GAP IN MARYLAND

Each year individual institutions file applications for federally sponsored institutionally-based student aid programs with the Division of Student Assistance, Office of Education. Within this application (called the tripartite application) there is a section where each institution must indicate a financial need analysis of its students. In this section the institution indicates how many students who were accepted or enrolled were deemed to have need, how many of these students actually enrolled in the institution (with and without aid), the average gross cost per student, the estimated gross family contribution, the gross need to fill the gap between the gross cost and gross family contribution, and the estimated student aid the institution had with which to meet this need (local as well as federal sources). The balance was the institutions' estimate of unmet need or "need gap" they expected the students to have. Table 23 indicates the important area of this section. The reader is cautioned to accept these figures as relative and not absolute figures. Due to the nature of the process of applying for federal aid, there may be some exaggeration of need. While the Division of Student Assistance performs a fairly satisfactory job of checking for such exaggerations through their review panels, any adjustment they make do not appear in these applications. According to the data

TABLE 23
INSTITUTIONAL REPORTED ESTIMATE OF STUDENT NEED
FOR THE STATE OF MARYLAND
1973-74

Institutions	Total Enrollment	Students Determined to Have Need		Gross Cost $	Gross Family Contribution $	Total Student Aid Available $	Total Unmet Need $
		Enrolled					
		With Aid	Without Aid				
PUBLIC 2-YEAR COLLEGES:							
Allegany Comm. Coll.	1,048	228	112	751,400	303,800	269,840	177,760
Anne Arundel Comm. Coll.	2,990	90	10	257,000	91,500	149,030	16,470
Catonsville Comm. Coll.	5,059	160	90	821,500	251,250	236,113	334,137
Cecil Comm. College	410	91	-	199,745	87,850	105,650	6,245
Charles Co. Comm. Coll.	845	120	15	287,550	187,100	93,236	7,214
Chesapeake Comm. Coll.	387	100	-	290,800	36,000	120,016	134,784
Comm. Coll. of Baltimore	7,245	500	800	3,601,000	972,800	997,770	1,630,430
Dundalk Comm. Coll.	565	35	15	108,000	26,500	81,335	165
Essex Comm. Coll.	6,319	336	99	961,350	282,500	329,692	349,158
Frederick Comm. Coll.	803	75	-	190,500	101,000	52,050	37,450
Garrett Comm. Coll.	200	60	10	129,500	24,500	96,840	8,160
Hagerstown Comm. Coll.	1,611	128	7	213,300	133,650	76,424	3,226
Harford Comm. Coll.	1,694	310	15	1,186,250	596,250	526,370	63,630
Howard Comm. Coll.	785	65	5	234,500	153,400	78,876	2,224
Montgomery Comm. Coll.	8,426	1,470	-	4,483,500	1,515,300	2,953,330	14,870
Prince George's Comm. College	7,095	600	100	2,138,500	1,339,800	538,313	260,387
SUB TOTAL	45,482	4,368	1,278	15,854,395	6,103,200	6,704,885	3,046,310

TABLE 23 (continued)
INSTITUTIONAL REPORTED ESTIMATE OF STUDENT NEED
FOR THE STATE OF MARYLAND
1973-74

Institutions	Total Enrollment	Students Determined to Have Need		Gross Cost $	Gross Family Contribution $	Total Student Aid Available $	Total Unmet Need $
		Enrolled					
		With Aid	Without Aid				
STATE 4-YEAR COLLEGES:							
Bowie State Coll.	2,864	625	275	2,417,400	157,000	1,666,756	593,644
Coppin State Coll.	NA	NA	NA	NA	NA	NA	NA
Frostburg State Coll.	3,144	530	104	1,567,882	709,280	732,436	126,115
Morgan State College	4,995	1,927	1,589	8,378,628	3,052,300	3,617,481	1,708,847
St. Mary's Coll. of Md.	1,066	138	-	303,600	131,146	166,348	6,106
Salisbury State Coll.	1,978	233	74	644,700	225,650	379,820	39,230
Towson State College	9,163	700	165	2,067,700	759,320	1,183,520	124,860
U. of Maryland -							
College Park	30,140	4,201	3,934	29,082,625	13,141,605	14,719,676	1,221,344
Eastern Shore	1,039	562	479	1,126,276	46,358	477,947	601,871
Baltimore	3,824	1,571	175	7,731,288	3,753,900	3,704,803	277,585
Baltimore County	5,177	550	666	2,992,576	1,201,578	1,120,543	670,455
SUB TOTAL	63,390	11,046	7,461	56,312,675	23,178,237	27,769,330	53,651,108

TABLE 23 (continued)
INSTITUTIONAL REPORTED ESTIMATE OF STUDENT NEED
FOR THE STATE OF MARYLAND
1973-74

Institutions	Total Enrollment	Students Determined to Have Need		Gross Cost $	Gross Family Contribution $	Total Student Aid Available $	Total Unmet Need $
		Enrolled					
		With Aid	Without Aid				
PRIVATE COLLEGES:							
Coll. of Notre Dame of Md.	570	120	10	423,800	184,600	232,120	7,080
Columbia Union Coll.	834	596	-	2,034,744	1,007,204	1,017,469	10,071
Dag Hammarskjold College	45	45	-	220,500	90,000	122,600	7,900
Goucher College	946	224	7	1,109,493	390,060	572,069	147,364
Hood College	617	205	-	812,500	379,550	416,330	16,620
Johns Hopkins Univ.	3,908	1,435	741	11,750,400	4,464,392	6,850,808	435,200
Loyola College	1,300	NA	NA	2,794,500	1,487,500	1,206,500	100,500
The Maryland Inst.	1,020	320	90	1,779,400	736,000	969,090	74,310
Mt. St. Mary's Coll.	1,185	180	120	996,000	447,000	362,285	186,715
Ner Israel Rabbinical College	321	261	20	1,283,327	305,025	933,758	44,544
Peabody Institute	372	183	3	829,540	491,690	337,850	-
St. John's College	370	130	10	648,900	346,500	301,352	1,048
St. Mary's Seminary and Univ.	487	130	68	619,440	227,100	357,300	35,040
Univ. of Baltimore	5,315	200	210	1,660,500	844,900	770,730	44,870
Villa Julie College	305	125	-	386,250	172,050	203,090	11,110
Washington College	903	186	11	767,315	334,876	414,757	17,682
Western Maryland Coll.	1,225	565	110	2,733,750	1,741,500	990,060	2,190
SUB TOTAL	19,725	4,905	1,400	35,850,359	13,649,947	16,058,168	1,142,244

TABLE 23 (continued)
INSTITUTIONAL REPORTED ESTIMATE OF STUDENT NEED
FOR THE STATE OF MARYLAND
1973-74

Institutions	Total Enrollment	Students Determined to Have Need		Gross Cost $	Gross Family $ Contribution	Total Student Aid Available $	Total Unmet Need $
		Enrolled					
		With Aid	Without Aid				
PROPRIETARY SCHOOLS:							
Award Beauty School	70	35	35	63,980	32,500	30,000	1,480
Baltimore Institute	440	270	70	880,600	225,000	584,930	70,694
Capital Institute of Technology	210	60	-	250,800	93,350	96,130	61,320
Hagerstown Business College	406	-	79	190,627	93,220	97,407	-
ITT Business Inst.	96	37	-	142,857	51,985	56,073	34,799
Patricia Stevens Career School	35	10	-	39,070	10,000	27,110	1,960
Washington Business School	130	60	-	233,400	112,500	72,244	48,656
SUB TOTAL	1,387	472	184	1,801,334	618,555	963,894	218,885
TOTAL	129,984	20,791	10,324	104,818,763	43,549,939	51,496,277	9,772,547

Note. Data taken from the 1974-75 institution's tri-partite application for the federal institutional based student aid programs. All figures are estimates for the year 1973-74.

reported by all institutions, out of the 129,984 students whose enrollment status indicated they were eligible for federal aid, 31,115 students were determined to have need. Of these students, only 20,791 or 67 percent were awarded some form of aid. Therefore, nearly a third of the needy students received no aid at all that was detected by the institutions. It also should be noted that the number of students determined to have need equaled 23.9 percent of the potentially eligible students' enrollment. Under the assumption that no student received more than one award--either state or federal--there were enough awards granted to serve 26.8 percent of the student enrollment. Since we know that most students receive aid packages that contain more than one award, the relative estimate of students determined to have need who received awards and the percentage that did not receive awards appears credible.

Totally, Maryland institutions indicate that there is a need gap of $9,772,547. This is 2.3 times greater than the total amount of state aid already appropriated. In other words, while the state is making a substantial effort to fill the student financial need, there still exists a considerable need gap.

Examining the institutional mean analysis by level and control, several significant items appear. The sector that indicates the greatest percentage of students who have financial need is the proprietary schools. They indicate 60.5 percent of their total enrollment have demonstrated need. This sector is followed by the private college sector, with 31 percent of their total fulltime enrollment exhibiting some level of financial need. The private sector is quickly followed by the state four-year colleges, with 29 percent exhibiting need. Surprisingly, the public two-year colleges show the least amount of students having need.

However, this picture changes slightly when the mean award gap is examined (total unmet need divided by total number of students determined to have need). Here the public two-year colleges have the highest need gap. These schools indicate a mean unmet need of $539. The proprietary schools follow next, with a mean award need of $333, and the public four-year colleges indicate an average unmet need of $289. Again, surprisingly, the private colleges indicate the smallest mean unmet need of $181.

SUMMARY

While Maryland's effort to attract federally sponsored student aid appears to be very adequate, its own effort in support of student scholarship programs is less than average. With a ranking of 38th for mean grants and 27th for number of awards for the General State Scholarship Program (26th and 12.5 for all Maryland State Scholarship Programs), its record indicates that much more effort is needed. This conclusion is supported by the institutional estimate that one-third of the students enrolled in higher education who have been determined to have financial need will not receive financial aid.

CHAPTER 5

PAST RECOMMENDATIONS, PRESENT PROBLEMS AND FUTURE IMPLICATIONS FOR STUDENT AID PROGRAMS

GOALS FOR HIGHER EDUCATION AND STUDENT AID PROGRAMS

In the first chapter there was a general discussion of the purposes and goals behind federal and state support of student aid programs. Over the past several years there have been several organizations both nationally and within the State of Maryland that have specifically addressed themselves to the mission of higher education and student aid programs.

In 1968 the Maryland Council for Higher Education presented a Master Plan for Higher Education in Maryland Phase I (November 1968). This report addressed itself to developing a master plan that would provide the most effective and economical use of the State's educational resources. Within the plan there are two statements that have great relevance to the State's role in student aid programs.

The State's Responsibility to Students

> The State has a responsibility to provide the opportunity for higher education to all students who can benefit from it. The responsibility is discharged when, within the states ability to pay, the institutions of higher learning are acceptable to the students, appropriate to their needs, and adequate for the training they desire. The nature of the institutions provided should reflect the diversity of the post-high school educational needs of the citizens, and the faculty and facilities should represent the best that the state can afford. In return, the educated citizen puts the benefits of its education to the service of society as well as to his own service.

Removal of Financial Barriers

> If society and the student are to reap more fully the benefits of higher education, financial assistance must be available in the form of loans and scholarships to those students who qualify for and who would be unable to secure post-high school education without such aid. An adequate financial assistance program contributes to the furtherance of democratic ideals and the development of the leadership potential of the citizens of the state. While such a program may be costly, the higher

taxes paid by those who receive higher education make the state's initial expenditure a worthwhile investment. (Page 3-19).

While the state greatly increased its efforts after the 1968 Master Plan report in the area of student aid, it did not succeed in reaching these goals. This is evidenced by the report entitled Statewide Master Plan for Community Colleges in Maryland, 1973-1983. The report lists as their fourth most important recommendation, increased efforts by the state to meet the financial needs of their students. The report recommends:

4. Community college students should be given the same consideration and the allocation of state scholarship and loan funds as that extended to students attending four-year institutions.

   Maryland's community college tuition charges average $325 annually. Thus, the colleges meet the criteria established by the College Entrance Examination Board for low-cost institutions; that is, tuition and fees less than $400 annually. However, $325 in tuition alone with the several fees charged by institutions is still a financial barrier to college for many citizens. In its attempt to remove this barrier, Maryland's community colleges initiated an extensive financial aid program.

   Over the five-year period 1966-1970, student financial aid increased from $72,123 to $1,616,369. These funds were generated from federal, state and local sources. The greatest increase came from federal aid programs. The increase from state sources was modest. In 1970, community college students received $60,690 from the Maryland Scholarship System, or only 1.6 percent of the total $5,200,000 awarded. In addition, in 1970 the community colleges received only $33,987 in Maryland Higher Education Loan Corporation funds, or less than 1 percent of the annual loan total of $4,000,000. In view of these facts and in order to make the open door admissions policy a meaningful reality, community college students should receive equal consideration as other applicants in the allocation of state scholarship and loan funds.

PAST RECOMMENDATIONS

On February 5, 1974, Governor Marvin Mandel sent to the Office of Civil Rights, Department of Health, Education and Welfare, a report

entitled Maryland's Plan for Completing the Desegregation of Postsecondary Education Institutions in the State. Within this report they recommend that the reform suggested by the Task Force on Student Financial Aid chaired by Lt. Governor Blair B. Lee, III, be put into law. The basic objective of the Task Force was "the establishment of a comprehensive program to remove the economic barriers to higher educational opportunity in Maryland." (Maryland Plan for..., p. B-8). The Task Force wanted to develop a nonpolitical and nondiscriminatory scholarship system that would allow any qualified student, with the help of scholarships, loans, and self-help, to be able to take advantage of further post-high school education. Specifically, the Task Force recommended:

1. One comprehensive scholarship system.
2. Uniform need analysis.
3. Eligibility for award to be based only on demonstration of need and admission to an approved postsecondary institution.
4. A development of a secondary loan market if the normal financial marketplace could not or would not meet the demands for student loans.
5. Awards granted only for attendance at Maryland institutions except for out-of-state colleges under special agreement.
6. No awards should be provided for graduate training except in fields that have critical needs.
7. Determination of the amount of the award and the composition of the aid package (loans, work-study, and grants) will be determined by the financial aid officers of each institution.
8. Total state student aid awarded to each institution to be determined by their overall percentage of total state need.

The Lee Task Force recommendation has also received the support of the Maryland Council for Higher Education, which has been instrumental in trying to see that these recommendations are enacted into law. Bill #439, introduced and read for the first time before the Maryland State Senate on January 13, 1974, entitled "An Act Concerning Higher Education--Maryland Student Financial Aid Assistance Program," essentially embodied these recommendations . This Bill was not passed and is being revised for future consideration.

There are several portions of Bill #639 and the Lee Task Force recommendations that are either dysfunctional or contradictory to the stated goals for student assistance.

1. If one of the major goals of student assistance is to provide maximum access and choice to all students who could benefit from further post-high school education, then the requirements that a recipient be a fulltime student ignores the reality that parttime students also benefit from a post-high school education and that parttime students also may have financial need.
2. The requirement that there should be some geographic consideration in the eligibility of a student for award ignores the possibility that there are several geographic locations in the State of Maryland that have considerably more financial need than others. Under a system that considers the geographic distribution of awards, it makes it more advantageous to be poor in a wealthy community than poor in a ghetto.
3. Only allowing a student to attend a Maryland institution denies the recipient full and unrestricted choice of the institution he feels will give him the best education.

4. The most critical flaw in the Task Force recommendation is in their plan for distribution and administration of the scholarship funds. Under Senate Bill #439, an institution's share of the grant funds would be turned over to the financial aid officers in the participating institutions for distribution. The philosophy behind this recommendation is that the most knowledgable person of the idiosyncratic financial demands of a particular institution is ... 'nstitution's financial aid officer. Therefore, the aid officer is more able to make the appropriate judgment on the student's application for funds than anyone else. While there is a good deal of truth in this belief, by placing all the aid funds at the institutional level it forces the needy student to apply to many different institutions, not because these institutions may best fit his educational need, but in order to increase his chances of being granted the maximum award. This multiple application to institutions for acceptance and aid has grave implications for the distribution of awards.*

PRESENT PROBLEMS

The conditions that were found by the Governor's Task Force in student aid programs of Maryland still exist. As the report stated:

*If most students apply to several schools, then two possible situations will occur: (1) the institutions will either have to over-award aid, e.g., offer more aid than they actually have available, or (2) wait until they hear from the students who have been offered awards and then offer the uncommitted aid to other students in the summer or fall. Overawarding may result in the institution being obligated to more aid than they have funds available. Awarding the uncommitted aid in the summer and fall does not promote access or choice, since the student already would have decided on a school without knowledge of any forthcoming aid.

> Maryland is presently spending 5.2 million dollars a year of its general fund on what is charitably described as a higher education scholarship system.
>
> Actually it is not a system at all.
>
> It could be more accurately described as a bewildering labyrinth of uncoordinated deadlines, unreasonable obstacles, unavailable information, unrelated awarding authorities and opportunity for unconscionable abuse. (p. B-3).

Out of Maryland's nine scholarship programs, only one is a truly need-based program. However, since this program--the General State Scholarship Program--awards the aid as much on academic potential as it does on financial need, it is hardly a program that can be pointed to with pride for its effort in promoting equal educational opportunity. Two other state programs--the Senatorial Scholarship Program and the House of Delegates Scholarship--may award aid without need assessment, lack accountability, and have great potential for political involvement and abuse. These programs are also highly inefficient and rely on the judgment of people who are not experienced in analyzing students' educational and financial needs.

The remaining scholarship programs are either categorical in academic pursuit or awarded on the basis of a student's family or personal background (e.g., veteran or son or daughter of deceased fireman, etc.), and may at one time or another violate the goals of access or choice or both.

Many of the awards may not be granted to parttime students. This fails to recognize that the fastest growing clientele in higher education is that of parttime students. It also fails to recognize that parttime students have financial needs and that a small investment of scholarship funds may have greater impact in encouraging a person to enroll parttime than it would to encourage a person to enroll fulltime.

A multitude of programs also means that the student has to fill out

many forms. This increased burden upon the student and his parents to fill out many different types of complicated forms requesting information concerning the family's finances may discourage many of the poor from applying for aid. The more financially disadvantaged a student is, the more the likelihood that his parents have a minimum educational background, which may make them incapable of or highly adverse to spending the time and energy needed to accurately complete these forms. Thus, there is a great possibility that many students who could demonstrate financial need do not apply for aid because of the complexity of the delivery system.

Because of the requirement that a student must be accepted at an institution, and because many of the awards are granted at different times, the programs do not contribute to free choice. When a student is making his most important decision, that is, which schools he will apply to and which school he will accept, he does not have reliable information concerning his potential aid award. Thus, at this critical juncture, the student's decision must be based on his knowledge of his available resources and the degree of optimism that he possesses. A highly cautious student may forego the opportunity to attend an institution that will better fit his educational needs because he fears he will not qualify for aid. Consequently, a student might apply only at the community college level when he would benefit more by attending a four-year institution; or he might apply to a public institution when he could more greatly benefit from the educational experience at a private institution.

FUTURE CONSIDERATIONS

There are two highly probable conditions that may develop in the near future that have great significance for the development of state student aid programs. The first is the likelihood that the Federal

Government will be more inclined to turn over the administration of the Basic Equal Opportunity Grant program to the state scholarship offices that have the proper organization and delivery system. This possibility should be increased after the release of the Report of the National Task Force on Student Aid Problems. The advantages of placing the BEOG funds in the individual state's scholarship office is that students might apply to one office for both federal and state aid. In addition, aid officers will be able to assess the total available funds and be able to more fairly distribute these funds. There will also be a decreased chance in a student being over-awarded due to lack of information about the amount of aid he was already receiving.

The second possibility is that courts will rule that students who have reached the age of 18 may declare themselves independent of their parents, both financially and legally. If this happens, then need analysis may only legally take into consideration the student's financial capability and must ignore the financial condition of the student's family. This is already occurring in many states. State scholarship offices should be developing plans to handle their distribution of student aid in a way that would take into consideration such an eventuality.

CHAPTER 6

SUMMARY AND RECOMMENDATIONS

PURPOSE OF STUDENT AID PROGRAMS

There are essentially three major goals that student aid programs should work toward. If the programs are successful in accomplishing these goals, then any other goals set for student aid programs usually will be fulfilled. The first goal is that of improving access of students to a postsecondary education. In other words, student aid programs are viewed as a mechanism to reach people who without financial aid would not be able to take advantage of any education beyond high school. Typically, the citizens that student aid programs serve come from lower-than-average socioeconomic backgrounds, where families are generally unsophisticated, and easily confused and discouraged. The exceptions to this are students from middle-income families who, for various reasons find the burden of paying for a postsecondary education beyond their means.

For a student aid system to achieve the goal of improved access, several criteria must be met. First, if the aid programs have been established to improve the access of the financially disadvantaged, then the eligibility for awards should be based only on the economic position of the applicant. Other eligibility requirements, such as the political subdistrict in which the applicant resides or his intended academic major, increases the likelihood that access will not be served. Second, the awards should be of substantial enough size to meet the student's need gap. For this reason, aid that is restricted to certain types of expenses, such as tuition and mandatory fees, may not be sufficient to provide access for the very needy. For the low socioeconomic applicant

the award that provides the price of admission into an institution but does not provide him the necessary funds to travel to that institution or eat while attending that institution, or buy books for his class, is in reality no aid at all. Third, the award system must be administered as simply as possible. The more numerous and complex the programs and application forms, the more likelihood that the unsophisticated student will simply not apply for aid.

The second goal of student aid programs is to allow reasonable student choice of the type of institution he will attend. Freedom of choice is inherent in our system of public support of education. It embodies the ideal of egalitarianism of Jacksonian democracy that is the foundation of public education. It is also the foundation of our economic system, that is, by granting the student the freedom to select the institution he feels would best meet his educational needs, it allows for a free play of the marketplace. This, in turn, will encourage institutions to more clearly articulate the type of educational program they provide and will force them to be more responsive to students' educational needs.

If freedom of choice is to be achieved, aid programs must fulfill several requirements. The amount of student aid offered to the student must be large enough not only to provide access but to offer the student real choice. This should enable the student to go to not only the most inexpensive public institution but also to a more expensive private institution. Second, the student must have knowledge of the approximate amount of aid he might reasonably expect to receive before making a choice of institution. For example, a student from a low-income family with only modest expectations may never apply to a private institution for fear that he will not receive aid. Even if this same student does apply to a private institution, if he does not hear that he has not

received aid before he has to select an institution, he will probably select one that is more within his probable financial capabilities. Finally, there must be adequate information available concerning t[h]e cational programs of the eligible institutions. While this is not pa[r]t of the aid program, per se, it is part of the state's responsibility in making its aid programs work.

The third goal of student aid programs is to insure that once a student begins a postsecondary education he can afford to complete that education. Therefore, student aid must go beyond just providing initial access and choice; it must allow the recipient to reach his ultimate, long-term educational needs.

A mission that student aid has served in the past is to promote the objectives of special interest groups or to encourage the student to direct his educational goals into areas defined by the state as "critical." However, if access and choice are achieved and the educational needs of the state are better articulated, then the objectives these special-interest programs are designed to serve will be achieved and these programs will not be needed.

THE FAILURE OF THE MARYLAND SCHOLARSHIP SYSTEM

As indicated by the Governor's Task Force on Student Financial Aid, the higher education scholarship system in Maryland leaves much to be desired. There are seven reasons for the failure of state supported student aid programs to achieve the goals of access and choice. They are:

1. The amount of aid available both through the state supported scholarship programs and the guaranteed loan programs is insufficient to fill the need gap that exists in the State of Maryland. As indicated by the institutions in their report to the U.S. Office of Education, there is a huge need gap currently existing.

2. The present assortment of more than nine scholarship programs, institutionally-based programs, and loan programs is too complicated and inefficient to serve adequately the needs of the students.
3. There is a general lack of accountability in the awarding of aid. This is especially true of the Senatorial and Delegate Scholarships.
4. Because of the amount of the funds available in each of the programs, the amount of award available to the individual student in many cases may be too small to fill the need gap.
5. Because of the many organizations involved in administering the various student aid programs in Maryland--federal and state student scholarship and loan programs--there is a large possibility that a student will either be underawarded or overawarded due to the financial aid officer's lack of knowledge of the total aid a student will or has received.
6. The goal of freedom of choice is greatly hindered by the restrictions placed on the type of institution where a student may use his aid. The increased emphasis by today's society on career education makes it imperative that out-of-state institutions and proprietary institutions be considered eligible for students who have been awarded Maryland scholarships.
7. In many cases there has been too heavy a reliance on the guaranteed loan system. In examining the type of students who have defaulted, it appears that student loans may not be a viable source of aid for some students, especially for the

very needy. What good is an education to someone who must start his career on the verge of bankruptcy.

RECOMMENDATIONS:

To eliminate the inequities and inefficiences in the present network to student aid programs in Maryland, it is recommended that:

1. A SINGLE, NEED-BASED, GENERAL STATE SCHOLARSHIP PROGRAM BE ESTABLISHED.

To eliminate the confusing and complex system of state sponsored scholarships, it is recommended that the present aid programs be eliminated and in their place a new state scholarship program be established, with the following characteristics:

(a) The eligibility for and amount of aid awarded should only depend on the demonstrated financial need of the student. This would insure that students who would most benefit by aid would be the ones receiving it. This would eliminate the potential for political involvement that some of the programs currently have.

(b) Student aid should be used to meet all educationally-related expenses. This would include living expenses while remaining at home and expenses involved in travelling to and from an institution.

(c) The aid should be made available to all students who wish to take advantage of some form of postsecondary education. The award should not be restricted to fulltime (minimum 12 credits) or parttime (minimum 6 credits) students, but be available to all students based exclusively upon their financial needs. By allowing aid to be available to all students regardless of enrollment status, equal access is assured.

(d) The aid may be used at any type of postsecondary institution that has by some means been recognized as providing a reliable program of education. This would include not only the traditional two-year and four-year public and private institutions, but the vocational-technical institutions and proprietary schools. This would then provide for maximum freedom of choice for the student who attends an institution he feels would best fit his educational needs. Care however should be exerted in seeing that the student does not attend an institution that cannot deliver what it promises.

(e) Awards may be used at institutions in states other than Maryland that have state scholarship programs and that also allow out-of-state attendance. To promote full access and choice, it is more desirable to allow a student to attend any institution he chooses regardless of geographic location. However, it is a political reality that most states do not provide such freedom. By establishing a reciprocity clause in the state scholarship regulation, and then by actively persuading other states to establish similar reciprocity agreements, a force could be brought to bear on other states to allow complete geographic freedom to their aid recipients.

(f) State scholarships should be awarded for graduate study as well as undergraduate study. Under the present system, most state aid programs are limited only to the undergraduate student. This regulation essentially is

saying that the state is willing to support the benefits derived from a citizenry with an undergraduate education but not from a graduate education. However, there are equal or greater contributions made to society by citizens with a graduate education as by citizens with an undergraduate education.

(g) Scholarship awards should be granted for up to five years of undergraduate work or three years of graduate work (four years for a medical degree), subject to annual review. To promote retention in education as well as access and choice, it is important to eliminate the financial insecurity of having to apply for an award each year. However, it should also be recognized that financial conditions do change, and when these changes occur adjustments should be made. Under this recommendation, a student remaining in the same relative financial position would be assured of the same amount of aid.

2. NO TARGETED FUNDS FOR SPECIAL "CRITICAL" AREAS OF STUDY BE ESTABLISHED, BUT THAT SUFFICIENT FUNDING TO MEET THE FINANCIAL NEEDS OF ALL STUDENTS SHOULD BE APPROPRIATED.

Under the current system, there are areas of study targeted for special aid consideration based on the assumption that the state has greater need for this type of training. The past history of manpower planning has taught that this type of manipulation can be very dysfunctional--witness the number of students who have teaching certificates who are not teaching. Research on the impact of student aid also indicates that aid by itself will not induce a student to be attracted to a particular academic pursuit, Thus, targeted funds have been shown to have limited impact.

By providing sufficient funding for state aid programs for all academic pursuits, the goals of access and choice can be achieved.

3. THE NEW GENERAL STATE SCHOLARSHIP PROGRAM SHOULD BE APPROPRIATED AT $4,668,160--THE SAME AMOUNT AS WAS APPROPRIATED FOR ALL THE CURRENT SCHOLARSHIP PROGRAMS PLUS 12 PERCENT FOR THE INCREASE IN THE COST OF LIVING.

The funding of the new state scholarship program should be at the current level of effort. However, adjustment should be made to keep this same level of effort by compensating for the increases in the cost of living.

4. THE MARYLAND COUNCIL FOR HIGHER EDUCATION SHOULD BE CHARGED WITH THE RESPONSIBILITY OF CONDUCTING A STUDY OF THE FINANCIAL AID NEED GAP THAT EXISTS IN MARYLAND AND OF MAKING RECOMMENDATIONS FOR CORRECTING THIS NEED GAP TO THE NEXT GENERAL ASSEMBLY.

It would be irresponsible to suggest an increase in the current appropriations for student aid with only the currently available data. A thorough survey of the financial aid needs of the citizens of Maryland should be conducted to measure the existing need gap. Future recommendations for appropriations should be based on this study.

5. THE AMOUNT OF AID MADE AVAILABLE AND THE INCOME LEVELS CONSIDERED ELIGIBLE FOR AID SHOULD BE ADJUSTED ANNUALLY FOR THE CHANGES IN THE COST OF LIVING.

One of the biggest frauds perpetrated on the public is the position taken by student aid officials who maintain they are meeting the students' financial needs even though they are using out-of-date aid standards. For example, the traditional cutoff point for a guaranteed loan was established in the early sixties at $15,000. Today, to maintain the standard of living of a person who earned $15,000 in 1967 a person must earn $22,650, a level that presently is not eligible for a loan. With the tremendous rate of inflation the nation has experienced during the past several years, it is even more important that yearly adjustments be made in student aid awards.

6. THE "PROMISING" OF STUDENT AID SHOULD BE MADE WELL IN ADVANCE OF A STUDENT'S COLLEGE SELECTION.

One of the critical reasons why present scholarship programs do not promote full access and choice is because the awards are either tied to the condition of acceptance at an institution or the awards are announced after the time a student must notify an institution whether or not he has decided to attend. To allow for early notification of awards, the following system is recommended:

(a) The state scholarships program should be funded one full year beyond the appropriation year or, by law, the program should be guaranteed no less than 80 percent of last year's appropriation. With stable funding, the state scholarship office could better plan a year in advance the amount of funds it could make available for first-time awards.

(b) Upon application for state aid, a determination of "probable" award should be estimated based on (the most) current income data and the student's indication of the institution he plans to attend.

(c) The student should be notified he will be receiving this probable aid award upon official verification that he has been accepted by a postsecondary institution and upon an up-to-date verification of his financial status. Under this system, a student could be notified as early as September or October prior to the year of his enrollment, thus allowing maximum time for a student to make his college decision, while being relatively secure in the knowledge concerning the amount of aid he will receive.

(d) A system of supplemental awards should be established if the financial circumstances of the award recipient changes. That is, if the income level of a recipient decreases after being granted award, or if the student is accepted at a more expensive school, additional aid will be made available to help meet this increased need gap.

7. THE INDIVIDUAL INSTITUTIONS SHOULD BE ENCOURAGED TO USE THEIR FEDERAL STUDENT AID PROGRAMS TO SUPPLEMENT THE STUDENT-BASED STATE AND FEDERAL AID PROGRAMS TO HANDLE THE IDIOSYNCRATIC NEEDS OF THEIR PARTICULAR INSTITUTION OR CAMPUS.

Financial aid officers of individual institutions have the most knowledge concerning the unique financial problems of their institution. By utilizing their institutionally-based student aid funds to complement the federal and state student based funds already awarded, they will help to correct any inequities in the aid system.

8. THE STATE SHOULD ACTIVELY PRESSURE THE FEDERAL GOVERNMENT TO TURN OVER TO THE STATE SCHOLARSHIP OFFICE THE ADMINISTRATION AND DISTRIBUTION OF THE BASIC EQUAL OPPORTUNITY GRANT PROGRAMS.

Once this happens the state scholarship office could then administer the General State Scholarship, the State Incentive Grant, and Basic Equal Opportunity Grant. This would permit a student to apply to all these programs by using one application and one need analysis. Once a student has been admitted to an institution, the institutional aid officer would automatically be notified about the details of the student's aid package. The financial aid officer then could make the final adjustments through his institutionally-based student aid programs.

9. THE STATE SHOULD PROVIDE THE MARYLAND HIGHER EDUCATION LOAN CORPORATION WITH FUNDS THAT COULD BE OFFERED AS A "LOAN OF LAST RESORT."

Under the present system of guaranteed loans, if the banks, for whatever reason, do not wish to participate in the program or decide that a student is a poor risk, a student is unable to secure a loan. The more financially needy a student the more likely that not only will the family not be a "regular customer" at a bank but will be perceived as a poor risk by any bank. This type of student is also more likely to be easily discouraged and not apply to other banks once he is turned down. Therefore, it is recommended upon verification that an applicant has been refused a guaranteed loan by two banks, and meets the acceptable requirements for such a loan, that the state will provide the loan at the same interest rate as if it were a loan from a commercial bank.

10. THE MARYLAND STATE SCHOLARSHIP BOARD AND THE MARYLAND HIGHER EDUCATION LOAN CORPORATION SHOULD BE COMBINED INTO ONE ORGANIZATION UNDER THE DIRECTION OF THE MARYLAND COUNCIL FOR HIGHER EDUCATION.

By combining the two state student aid services under the leadership of one organization, an organization that is already responsible for planning and coordination of higher education in Maryland, there would be a better chance of minimizing inconsistencies in the student aid objectives and improved efficiency in providing information to the students of Maryland.

11. THE MARYLAND COUNCIL FOR HIGHER EDUCATION SHOULD ESTABLISH AN EDUCATION PROGRAM FOR HIGH SCHOOL GUIDANCE COUNSELORS AND STUDENTS, POSTSECONDARY EDUCATION FINANCIAL AID OFFICERS AND STUDENTS, THE STUDENT'S PARENTS AND COMMERCIAL BANK OFFICIALS CONCERNING STUDENT AID IN MARYLAND.

One of the tragedies of current student aid programs is the amount of needy students who, for various reasons, do not apply for any aid. While the present organizations have done an admirable job in attempting to reach these students, more effort is needed.

12. A SYSTEMATIC DATA GATHERING PROGRAM SHOULD BE DEVELOPED TO MEASURE THE IMPACT OF STUDENT AID PROGRAMS.

To insure that student aid programs meet their objectives, it is necessary that an annual survey be conducted to measure the impact of aid programs and estimate the financial needs of the students.

13. AN ANNUAL RANDOM AUDIT SHOULD BE CONDUCTED TO INSURE THE ACCOUNTABILITY OF THE STUDENT AID PROGRAMS.

To insure public confidence in the scholarship programs, it is necessary to demonstrate that no political forces are being exerted to corrupt the mission of the programs. Therefore, it is advisable to perform an annual random audit to insure that the awards are granted according to the financial need of the student.

14. THE STATE-SPONSORED STUDENT AID PROGRAMS SHOULD CONFORM WITH THE FORTHCOMING RECOMMENDATIONS OF THE NATIONAL TASK FORCE ON STUDENT AID PROBLEMS, AND IN PARTICULAR WITH THE TASK FORCE RECOMMENDATIONS ON THE USE OF A COMMON AID APPLICATION FORM FOR ALL AID PROGRAMS AND THE USE OF COMMON NEED ANALYSIS.

This report, estimated to be made public in late spring of 1975, is the result of the efforts of the leading authorities on student aid in America. The development of new legislation concerning student programs should take into consideration the recommendations of this Task Force.

CONCLUSION

For the recommended student aid program to work in Maryland, it must be seen as a system, a system that depends upon the cooperation and communication between federal, state, and institutional aid officers, and a system that has as its objective the promotion of equal educational opportunity for the financially disadvantaged citizens of Maryland. It is hoped that the educational and the political leaders of Maryland will work together to establish this student aid system that will benefit all the citizens of Maryland.

APPENDIX

Selected Passages from Article 77A of the 1957 Annotated Code and the 1973 Cumulative Supplement concerned with Scholarship Programs.

SCHOLARSHIPS

Section 33. Program of senatorial scholarships created; effect on prior programs and scholarships.

There is hereby created a program of senatorial scholarships as provided herein. As of April 21, 1967, this program shall supersede and replace all senatorial scholarship programs existing prior to this date, and thereafter all senatorial scholarships shall be held only in accordance with the terms of this section. Nothing herein shall be construed to affect any scholarship granted prior to April 21, 1967, and the recipient of any such scholarship may continue to hold it notwithstanding the adoption of this subtitle or to affect any existing vacancy in a scholarship grant available for award by a Senator to a particular institution. (1967, ch. 469; 1969, ch. 405, section 4 (j).)

PUBLIC SCHOOL LAWS

Section 34. Institutions eligible under program.

The eligible institutions under this program of scholarships are those institutions of higher education in Maryland which are accredited by the State Department of Education. (1967, ch. 469; 1968, ch. 140; 1969, ch. 405, section 4 (j); ch. 570, section 1.)

Section 35. Value of unit of scholarship aid; number of units Senator may award annually; limitation on single award.

Scholarship aid, to be used to defray all or part of the cost of tuition, room and board (except that scholarship funds may not be used to pay the cost of housing off the campus when on-campus housing is available to the student) and mandatory fees required to be paid to the institution at any of the participating institutions as provided in Section 34 of this article is to be granted in units of one hundred dollars ($100.00) for each year of the award. Each Senator may award each year a total of one hundred forty-five units of scholarship and provided that no single award to a recipient may be less than two units or exceed fifteen units for each year of the four years of undergraduate study, or a total of sixty units. (1967, ch. 469; 1969, ch. 405, section 4 (j); ch. 570, section 1.)

Section 36. Qualifications of recipient; division of scholarship units in districts which include more than one county.

Any award to be made according to the provisions of this subtitle shall be given only to an applicant who has met the following conditions: (1) That he shall have passed, in the academic year preceding that for which the award is to be made, a competitive examination to be administered by the State Scholarship Board in accordance with rules and regulations adopted and promulgated by that Board, the pertinent results of which shall be transmitted to the respective participating institutions and to the respective appointing authorities, except that when an award is made to a student who is already enrolled in an

institution of higher learning and has completed one year of study in good academic standing, the requirement for an examination is waived, (2) that he shall have been, at the time of the examination, a resident of the State and of the senatorial district or subdistrict of the State from which he seeks appointment, except as otherwise provided elsewhere in this article, (3) that he shall have been accepted for admission to the regular undergraduate program of the institution at which the award is to be used and (4) that he shall have accepted any other conditions attached to the granting of the award by the law or by regulations adopted pursuant thereto. The respective appointment authorities, in making their appointments, shall take into consideration the financial needs of the several applicants as determined by the State Scholarship Board in accordance with the uniform rules and regulations adopted and promulgated by that Board, which shall be so prepared and applied as to assure that definite financial need shall be a prerequisite to receiving an award under the provisions of this section. Once appointed to receive an award according to the provisions of this section, a student shall be entitled to hold the award for four academic years, except as otherwise provided elsewhere in this section; provided that he becomes and remains enrolled in the institution at which the award is used in a full-time (minimum 12 semester hours) program of undergraduate study leading to the granting of a degree; and provided, further, that after his original appointment he continues to be a resident of the State. In any senatorial district where a Senator represents more than one county the number of scholarship units shall be divided as equally as possible among the qualifying students in each of the counties comprising the senatorial district. (1967, ch. 469; 1969, ch. 405, section 4 (j); ch. 570, section 1.)

Section 40. Program of State scholarships established; appointments.

There is hereby established a program of State scholarships appointed by the members of the House of Delegates for students enrolled in the University of Maryland and the community colleges within the State.

Each member of the house of Delegates may appoint, during his term of office, two students from his district, selected on any basis, who shall be educated by the University or the community colleges within the State free of charge for tuition. (1967, ch. 469; 1969, ch. 405, section 4 (j); ch. 573.)

Section 40A. Reimbursement of firemen for tuition required for courses in "fire service technology."

Firemen and volunteer firemen shall be entitled to reimbursement by the State for tuition costs required for courses in "fire service technology" in accredited institutions in Maryland. Reimbursement shall be made one year after successful completion of each semester of study, and shall only be made upon the condition that the individual applying for such reimbursement is still employed as a fireman in any organized fire department of the State, or is still actively engaged as a volunteer fireman in an organized volunteer fire department in the State. Reimbursement requests shall be administered by the State Scholarship Board. (1969, ch. 338; ch. 405, section 4 (j).)

Section 57. General State scholarship program.

(a) Eligible institutions.--In addition to any other scholarships that may be awarded or provided for under other provisions of this article, there shall be a program of general scholarships under the provisions of this section. Eligible institutions are those degree-granting institutions of higher education within this State whose curricula are approved by the State Department of Education.

(b) Qualifications of recipient.--Any award to be made according to the provisions of this subtitle shall be given only to an applicant who has met the following conditions: (1) That he shall have passed, in the academic year preceding that for which the award is to be made, a competitive examination to be administered by the State Scholarship Board in accordance with rules and regulations adopted and promulgated by the Board, except that when an award is made to a student who is already attending an institution in good academic standing, the requirement for an examination is waived, (2) that he shall have been, at the time of the examination, a resident of the State and of the political subdivision from which he seeks appointment, except as otherwise provided in this section, (3) that he shall have been accepted for admission to the regular undergraduate program of the institution at which the award is to be used and (4) that he shall have accepted any other conditions attached to the granting of the award by the law or by regulations adopted pursuant thereto, and (5) that he shall have demonstrated, in accordance with the rules and regulations of the State Scholarship Board, the requisite financial need. Definite financial need shall be a prerequisite to receiving a scholarship under the provisions of this section. No person shall be awarded or hold a scholarship under the provisions of this section if he holds any other scholarship awarded under the provisions of this article.

(c) Allocation of scholarship funds.--Each political subdivision of the State shall be entitled to an annual allocation of an amount not to exceed fifteen hundred dollars ($1,500) as part of its quota of scholarship moneys for this program. In addition, each political subdivision shall be entitled to an annual allocation of an amount not to exceed fifteen hundred dollars ($1,500) for each delegate which that political subdivision is entitled to send to the House of Delegates. Provided, however, that no moneys may be disbursed by the State Scholarship Board from the quota allocations except in accordance with the other provisions of this section.

(d) Amount and number of scholarship units.--Scholarship aid, to be used to defray all or part of the cost of tuition and/or room and board and mandatory fees required to be paid to the institution at any of the eligible institutions, is to be granted in units of one hundred dollars ($100) for each year of the award, except that no scholarship shall be less than two (2) units. No single award to a recipient may exceed fifteen (15) units for each year of the four years of undergraduate study, or a total of sixty (60) units. The State Scholarship Board shall determine the amount of scholarship aid to be awarded to each candidate, basing its decision upon the demonstrated need of the candidate. (1973, ch. 374.)

(e) How awarded.--From the examination papers which are graded with a passing mark, the State Scholarship Board shall certify each year an award. Fifty percent (50%) of the allocated scholarship funds for any county or legislative district shall be used for scholarships to be awarded by the State Scholarship Board to those qualified applicants who received the highest scores in their respective county or legislative district and who can also demonstrate financial need. The remaining fifty percent (50%) of said scholarship funds in each county and legislative district shall be used by the State Scholarship Board to make awards to those qualified students who have been shown to have the greatest amount of financial need.

If in any county or legislative district, any of the scholarship moneys allocated under the provisions of this section remain after all the eligible candidates in the respective county or legislative district have been processed, the State Scholarship Board shall use such remaining moneys to make awards from a State-wide list of eligible candidates, in accordance with the procedures authorized in this subsection. The State Scholarship Board shall, on or before June 1 of each year, send to each State Senator a list of the awards made in each county and legislative district under the general scholarship program.

(f) Period for which scholarship may be held.--Any applicant awarded a scholarship may apply for the next ensuing scholastic year to any one of the eligible institutions as defined in subsection (a) of this section. The institution at its discretion may reject the applicant according to its admission standards. Once appointed to a scholarship, and accepted by one of the eligible institutions, the applicant may hold the scholarship for four years subject to the following conditions: (1) That he be a full-time student (minimum 12 semester hours); (2) that in the estimation of the institution in which he is enrolled he shall be progressing satisfactorily toward a degree and (3) that he maintains the department standards of such institutions, and (4) that after his original appointment he continues to be a resident of the State.

Section 59. Scholarships for preparation of teachers of persons with impaired hearing.

(a) Definition.--As used in this section, "training center for teachers of persons with impaired hearing, including the deaf," means any accredited college or university having an approved program for the preparation of teachers of persons with impaired hearing, including the deaf which satisfies the requirements established by the Maryland State Department of Education for certification as teachers of persons with impaired hearing, including the deaf.

(b) Program established.--In addition to any other scholarships that may be awarded or provided for under other provisions of this article, there shall be a program of scholarships for the preparation of teachers of persons with impaired hearing, including the deaf, to any training center for teachers of persons with impaired hearing, including the deaf.

(c) Eligibility.--Eligibility for a scholarship under this section shall be limited to persons (1) who are senior undergraduate students or candidates for a Master's Degree in the area of education of persons with impaired hearing, including the deaf, (2) who have clearly shown a commitment to teach persons with impaired hearing, including the deaf, in the State of Maryland through successful completion of prerequisite course work, (3) who are recommended by the training center for teachers of persons with impaired hearing, including the deaf, they are applying to or attending after consultation with the Maryland State Department of Education, and (4) whose financial needs and resources meet the requirements therefor as determined by rules and regulations adopted by the State Scholarship Board.

Section 61. Scholarships to School of Medicine of University of Maryland.

(a) Definitions.--As used in this section, "School of Medicine" means the School of Medicine of the University of Maryland at Baltimore or where the same may hereafter be located. "Area of need" means a geographical area within this State which the State Department of Health, in consultation with the Medical and Chirurgical Faculty of Maryland and other professional groups, determines from time to time to have an acute need for general practitioners of medicine.

(b) Program established.--In addition to any other scholarships that may be awarded or provided for under other provisions of this article, there shall be a program for scholarships to the School of Medicine, for the courses of study leading to the degree of the doctor of medicine.

(c) Eligibility for scholarship.--Eligibility for a scholarship under this section shall be limited to persons (1) who have been residents of Maryland for at least five (5) years preceding an award for such a scholarship, (2) who have or expect to receive within the academic year of application a bachelor's degree from an accredited institution of higher learning within or without the State of Maryland, (3) whose financial needs and resources meet the requirments therefor as determined by rules and regulations adopted and promulgated by the State Scholarship Board, which shall be so prepared and applied as to assure that a definite financial need shall be a prerequisite to receiving a scholarship under this section, (4) and who furnish a surety bond to the State of Maryland, in such amount and with such security as may be determined by the State Scholarship Board, the condition of which bond is that the applicant, provided he received the M.D. degree shall, following a desired period of internship and residency, engage in the general practice of medicine in an area of need for a period of not less than three (3) years.

(d) Applications; selection of recipients.--Each year, the State Scholarship Board shall cause the availability and conditions of scholarships under this section to be made known at colleges and universities both within and without this State. Applicants therefor shall submit an application in form prepared by the State Scholarship Board which shall demonstrate the applicant's merit and his eligibility under subsection (c) above. From the qualified applicants admitted by

the School of Medicine, the State Scholarship Board shall select 10 persons, and alternates in such number as to assure that 10 scholarships shall actually be awarded and accepted annually.

(e) Duration of scholarship; amount.--The scholarships shall be held for 4 years, or as long as the holder thereof is satisfactorily progressing toward the M.D. degree. Each scholarship shall be in the amount of fifteen hundred dollars ($1500) per year for such period, for tuition, fees and other costs for the student, and shall be paid by the State Scholarship Board directly to the School of Medicine.

(f) Funds to be included in budget; unused funds.--Funds for scholarships hereunder and for necessary administrative expenses shall be included in the budget from year to year beginning with the fiscal year 1966-1967. Any of such funds remaining unused at the end of the fiscal year shall revert to the general funds of the State treasury.

(g) Powers of School of Medicine not affected.--Nothing herein contained shall in any way impair or affect control by the School of Medicine of its operation or of any of the studies pursued therein, or impair or in any way affect the power to fix the standards of scholarship required for admission to the School of Medicine or for the continued prosecution of studies therein, or the examination or other method of ascertaining or determining such fitness in scholarship or otherwise, or the power to maintain, prescribe and enforce the discipline, rules and regulations of the School of Medicine.

(h) Enforcement of obligation of bond of recipient.--Upon the failure or refusal of any such person to observe the conditions of a bond under this section, the Attorney General shall do such things as are necessary and proper to enforce the obligation of the bond. Any monies received from the enforcement of the obligation of a bond shall be accounted for by the Attorney General and revert to the general funds of the State treasury. (1965, ch. 637; 1966, ch. 320; 1969, ch. 405, section 4 (j).)

Section 64. Scholarships for children of firemen, rescue squad members or law-enforcement officers killed in line of duty.

(a) Subject to the need criterion provided for in subsection (c), any child between the ages of 16 and 23 of any person who was a fireman, professional or volunteer, a volunteer member of a rescue squad, or a law-enforcement officer of the State or any of its political subdivisions, killed in the line of duty, if the deceased was a resident of the State at the time he was killed, shall receive upon application to the State Scholarship Board, State aid for tuition, matriculation fees, board, room rent, books and supplies for the child attending any accredited undergraduate school of higher education in Maryland.

(b) The amount of aid granted shall not exceed $500 per year for each applicant, and shall be paid to the institution on vouchers approved by the State Scholarship Board.

(c) The State Scholarship Board may adopt and promulgate rules and regulations as reasonable and necessary for the administration of this section. However, need shall be a criterion for any award made under this section. (1971, ch. 60, chapter 1; ch. 555, section 1; 1972, ch. 264; 1973, ch. 540.)

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